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Undermining Self-Government

Editorial

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Wanted: Municipal Statesmen

Carl H. Chatters

How Will Cities Get the Money?

Paul Studenski

P. R. in New York Prevents Landslide

George H. Hallett, Jr.

January 1946

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National Municipal Review

Editorial Comment

Undermining Self-Government

VOTERS everywhere continue to freeze mandatory expenditures into city charters and state constitutions and limit the use of certain taxes and fees to specific purposes.

This habit began with early efforts to make certain that sufficient funds were set aside for the proper operation of the schools. And everybody favors good education.

The process goes endlessly on and on. In state after state the voters decide that taxes and fees collected from motorists shall be used only for highway improvement. And everybody favors good roads.

It is argued that such and such a percentage of public revenues shall be spent for parks and playgrounds, or for libraries, or for old-age assistance, or for whatever happens to be agitating some articulate pressure group at the moment.

The results don't very often make much sense. This year when the general fund in Wisconsin had a surplus of \$6,000,000 the state highway fund had a balance of \$36,100,000, or nearly \$12 for each man, woman and child. That would build a lot of roads in a state that isn't exactly a wilderness in this respect.

It is preposterous to say that anyone can guess today how much or how little will be needed for roads five, ten or twenty years from now in Wisconsin or anywhere else, or how much will be needed to operate schools, take care of parks and play-

grounds or for any other purpose. Even if the dreamers who see everyone in his private plane in the near future are wrong, the purposes for which public money is spent today are quite different from the purposes of a generation ago. And in the atomic age the world is moving at a faster clip than ever before.

Only a few years ago cities, counties, states and the nation learned that there are times when emergencies make it necessary to spend every available cent on something which was not foreseen—for the elemental job of keeping people from starving—and that then roads and much else are of secondary importance.

The road to responsible citizenship and competent self-government is not followed by locking up public money and throwing away the key. By this process the voters say:

"We have no confidence in our ability to elect legislators and city councilmen who will act wisely to carry out our wishes. So we'll put the money beyond their control."

A legislative body without power of the purse is impotent. It is merely going through the motions, not actually performing the functions for which it exists. What is desperately needed is action that will raise our legislative bodies in public esteem. Making them helpless to attack and solve future problems and to use judgment in apportioning public funds is not that kind of action.

Public Money Laboratory

THERE are encouraging signs that cities, counties and other jurisdictions are entering this post-war period with their eyes open and their hands firmly clutching their wallets. The memory of financial difficulties which followed the last war and boom is, it is to be hoped, still sufficiently fresh to warn them to put brakes on spending orgies, reckless borrowing and sloppy budgeting.

Officials, civic leaders and experts responded to the call by New York's State Comptroller Frank C. Moore to a two-day session¹ on local government services and finances. They were gravely concerned and eager to listen to the solemn warnings of the nationally known experts who discussed many aspects of what will be expected of government in the foreseeable future—AND what the bill is likely to be and how it will be paid.

It was clear that few informed observers expect citizens to diminish their demands for new and better services, that the outward movement of population from our cities will continue with its intensification of municipal revenue and operating problems, that ways must be found to pay for city services without adding to the burden on real estate, and that it will take heroic action to curb the temptation to incur too much debt.

The several hundred serious, responsible persons who attended the conference had very much on their minds the warning the state comp-

troller had sounded in his invitation:

"Each of our great wars has been followed by a period of rapid, unplanned expansion of municipal services, culminating in acute fiscal difficulties. This period, in turn, has been followed by a much longer one in which our municipalities have starved essential services as they struggled to regain financial strength. When success seemed almost within their grasp, another great war occurred and the unfortunate cycle was repeated.

"This time, we propose to do our utmost in New York State to avoid a similar cycle, and this conference has been called as an initial step in that effort."

Valuable as were the discussions at the meeting, which was a constructive piece of pioneering and probably unique, a single conference will not, of course, cure the multitude of fiscal ills or go very far toward solving the many difficult problems which face municipalities. Nor is it the only constructive effort being made. In the same state the comptroller is chairman of a Commission on Municipal Revenue and Real Estate Taxes which has already come forward with constructive recommendations² and is continuing to prepare plans to place municipal financial affairs on a sound basis.

From such laboratory work in the wealthiest and most populous state patterns and solutions should emerge which will help cities and states everywhere.

¹See page 39, this issue.

²See the REVIEW, May 1945, page 259.

New Exodus to Suburbs Near

Outward flow, only briefly halted, will accentuate perils of suburban expansion and central decay; need seen for greater controls and recognition of single economic unit.

By PHILIP H. CORNICK*

ONE of the greatest shifts of population in the history of New York State is about to begin. Uncertainties about building costs now hold it back. Variations in local zoning ordinances and delays in clearing up the clouded land titles which remain as a heritage of the boom twenties will affect the direction and extent of the flow. But a normal and desirable flow which is potentially destructive impends.

In order that we may arrive at a common understanding of certain characteristics of one type of flow—that from center to suburbs in the hundreds of urban areas of the state—picture a large scale relief map showing the natural and man-made channels along which urban populations tend to flow. On this superimpose the political boundaries of cities, towns and villages, as well

as certain three-dimensional symbols to indicate the widely varying densities of population per square mile within them. Those densities range from zero to about 150,000. The approximate average density per square mile in the cities is about 11,500, in the villages 1,500, in the remainder of the state only about 40.¹

Many, no doubt, have seen workmen, engaged in road repair, knock the hoops and staves off a barrel of tar. If the weather wasn't too cold, the contents of the barrel settled slowly down at the center, while the base spread outward. As the heat of the day increased the rate of flow also increased. It tended to flow fastest and farthest along certain channels. Drawing an artificial line around the contents of the barrel, comparable in physical characteristics to a municipal boundary, would do nothing to impede the flow.

Because we are interested in flows across municipal boundaries within our urban areas, let us superimpose on our imaginary map a lot of barrels of tar, adjusted in size not to the populations of individual cities, villages and suburban towns, but to those of the urban areas of which they are a part. The largest barrel would be that representing the population of the tri-state metropolitan

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¹Report of New York State Planning Council to Governor Lehman, Albany. N. Y., January 27, 1938, page 254.

district centering on New York City. The second largest would be placed on Buffalo. Those two would be connected by a fairly continuous row of smaller barrels, stretching along the Hudson-Mohawk Barge Canal trade route. The largest barrel outside this so-called "L" belt would be at Binghamton. Hundreds of smaller barrels would be scattered around wherever smaller cities and villages lie.

Past City Growth

Contrary to widely held impressions the outward flow of urban populations has been accelerating for much more than a century. Careful studies of American cities in general indicate that the effects of this outward flow were masked by over-all statistics because the outlying areas into which the flow took place were later annexed to the cities in which the flow had originated. The fact that some cities now have areas a hundred times as great as those with which they started serves to indicate the extent of this flow. Other studies reveal that inside these cities with expanding boundaries densities per square mile decreased first inside their original boundaries, next inside the areas first annexed, and so on.² Today, the outer boundaries of many large central cities have been static for decades, but the outward flow and the declining densities in progressively larger areas within them continue.

As a result, many of these central cities experienced over-all declines in population between 1930 and 1940. While most of the urban

areas within which they lie continued to increase in population, 31 of the nation's 93 cities with 100,000 or more inhabitants in 1930 lost in size in the ten years thereafter. Seven of these large cities lie in New York State. One of them, Yonkers, benefited by the outward flow from New York City. Of the six central cities three—Rochester, Syracuse and Utica—declined in population although their metropolitan districts as a whole continued to grow.

Armed with these facts concerning the similarities of flows of tar and of urban populations, let us turn our attention again to our imaginary map of the state. When the danger of Indians had become a thing of the past, and our early settlements felt free to remove protective walls and barricades, they in effect knocked the hoops and staves off their urban populations, and the flow began.

Figuratively speaking, the weather was still too cold for much of a flow. The great majority of urban residents worked long hours for scant pay, and had no means of transportation except their own legs. They had no choice but to live within the shortest possible distance of their jobs. While those conditions continued their effect on rate of outward flow was comparable to that of a cold day on the flow of tar. Every subsequent increase in wages, every shortening of the working day, and every improvement in the facilities for cheap and rapid mass or individual transportation has increased the rate of flow. The economic climate affecting this outward flow has been getting warmer and warmer

²R. D. McKenzie, *The Metropolitan Community*. New York, 1933. (See especially tables on pages 336-342).

for decades, and gives every evidence of continuing to do so.

Even if we ignore increases of population because of an excess of births over deaths and immigration from foreign countries, this analogy has at least two important defects. Tar flows outward only and every part of the flow resembles every other part. Detailed studies of population shifts, on the other hand, reveal the existence of both inward and outward flows not only among the distinct parts of an urban area but also among widely separated urban areas and between urban and rural areas. Furthermore, the individuals and family units which make up a population group differ widely from one another and are not all equally responsive to the forces which lead to shifts in location.

The second of these differences is reserved for later comment. With respect to the first, it is worth noting that only eleven of the 90 largest cities in the United States for which the necessary detail is available gained by internal migration between 1935 and 1940. Ten of the cities which grew by excess of inflow over outflow are central cities in large urban areas lying well south of a line connecting the southern boundaries of Pennsylvania and Oregon. The eleventh city in this group is Yonkers, an important residential suburb of New York City.³

As has already been indicated, the boundaries of the central cities have themselves been moved out-

ward, repeatedly in some instances, to reintegrate with the population of the original central cities those segments which had spilled out over earlier boundaries. In other instances, new municipalities were incorporated to provide the services and improvements needed by the rapidly growing urban populations of those sections.

Differences in Powers

In those days a clear-cut line of demarcation existed between the powers granted by the legislature to the incorporated cities and villages on the one hand and to the unincorporated towns on the other. The latter, covering the greater part of the state's area, were designed for the purpose of providing the small number of services needed by a scattered rural population—a purpose which those units have long served adequately throughout the greater part of the state. The cities, on the other hand, had been created to provide the much more numerous, costly, and technically involved services and improvements which were needed where large numbers of people congregated in small areas. The villages constituted an intermediate type, and were created originally to provide for small concentrations of populations residing in towns those necessary services and improvements of an urban character which the towns had not been empowered to provide.

For reasons too complex for analysis in this brief paper, major annexations to most of our cities ceased just when the economic climate was reaching a stage in which the outward flow of urban popula-

³Census Bureau, *Internal Migration, 1935-1940*. Washington, D. C., 1943, page 25.

tions was becoming more and more rapid. At the same time new incorporations of cities and villages fell off notably, especially in the outlying sections of several of the state's large urban areas where the outward flow was greatest. Much of the flow, therefore, was into the areas of towns designed primarily for government in rural areas and poorly adapted in form or function to serve the needs of their growing urban populations.

The legislature endeavored to bridge the gap by authorizing local property owners in such towns to establish *ad hoc* districts to provide water supply systems, sanitary sewer and disposal systems, storm sewer systems, paved streets, sidewalks and parkways, parks and playgrounds, garbage incinerators, fire departments, and police and fire alarm systems—districts operating without internal controls, without relation to overlapping or adjacent districts, and only loosely appended to the towns in which they operated.

Too Much, Too Soon

The effects of this policy in the boom twenties were devastating. Unlike the allies in the early years of World War II, the suburban towns did not provide "too little and too late." They went to the other extreme and provided too much and too soon—ten times as many building sites as were needed by the inflowing population, onerous general and special levies for unused and unneeded public improvements, debts per capita far in excess of the levels reached in our central cities, accumulated unpaid taxes two and a half times as high as a current year's

levy, tens of thousands of vacant lots hopelessly swamped by arrears.⁴

The suburban towns were not alone in this madness. New York City in the undeveloped sections of its outlying boroughs, most notably in Staten Island, Syracuse in the extensive areas it had annexed while the boom was getting under way, and Yonkers in the large sparsely populated areas lying inside its static boundaries—all went to extravagant lengths in providing too much and too soon for the outward flows of population.

Since the collapse of that boom the legislature has made notable efforts to tighten up its municipal codes. The town law has been revised; the special districts have been tied more closely into the improved structure of town governments and have been subjected to more rigid controls by the state. Under the leadership of the former State Planning Council, planning laws which had previously authorized controls only over the quality of lots in new subdivisions were amended to permit planning boards in cities, towns and villages to impose restrictions designed to limit also the quantity of new subdivisions.

All these amendments constitute long steps in the right direction. Much more remains to be done before the impending great outward flow of urban population sets in. My reasons for this opinion rest in part on the feeling that the steps already taken do not go nearly far enough, in part on the second of the two

⁴New York State Planning Council Report, pages 276-277.

defects in the comparison of flow of tar with flow of population.

Every cubic inch of tar in a barrel is very much like every other, and all parts of the flow are similar in character. Individual units of population, on the other hand, differ widely from one another in age, race, cultural background and economic status; family units in size and in age distribution. While they live in the central city they tend to form homogeneous clusters, the very rich in one or more sections, the middle classes in others, the very poor in still others. As long as they all live within one unit of local taxation, no great fiscal problems emerge from this separation. The trouble begins with the highly selective nature of the outward flow.

Segregation of Wealth

The rich tend to flow in greatest proportion to their numbers and settle in exclusive suburban tax districts of their own. The rest of the selective flow extends downward only about as far as the lower middle class—the people who live in \$4,000 to \$7,000 homes or in modest suburban apartments, and who sometimes congregate in school districts with little to tax except the homes of their residents. The very poor show less tendency to move and are saddled with increasingly onerous shares of the costs of providing the services and improvements essential not only to their own health, welfare and safety but also to those of their former fellow-citizens, who still spend

most of their waking hours making a living in the central city but who now sleep and pay their taxes in a suburb and—in presidential years—even vote there. The normal tendency of people of similar characteristics to live in close proximity to one another raises up unprecedented new problems now that our urban populations, whether in Port Jervis, let us say, or in New York City, are spreading out selectively over urban areas made up of from three to 300 independent electoral and taxing units.

The well-to-do residents of some of the numerous small tax districts in the suburban areas, a few of them little larger than postage stamps, have for the time being successfully insulated themselves against political upheavals and costs of local government, both in central city and in less prosperous suburbs. Several of them have done outstanding jobs in running their own local affairs.

Two major questions remain. Can they insulate themselves also against progressive decay in the central city on whose economic adequacy their own survival depends? If not, what new governmental mechanisms are necessary to permit reharnessing for common purposes the political, economic and administrative capacities of all those who, in spite of the outward flow, still remain inseparable parts of one economic urban unit?

EDITOR'S NOTE.—Address delivered before conference on Local Government Services, 1945-1955, at Albany, New York, under sponsorship of the New York State Department of Audit and Control.

Housecleaning Time for Cities

Substantial progress made during the war toward putting municipal fiscal affairs in order; but serious problems ahead leave no margin for blundering, outmoded methods.

By FREDERICK L. BIRD*

MOST of the local governments in New York, as in the other states, made very measurable financial progress during the war. They were unable, because of the restrictive system under which they operate, to build up large surpluses like the state government; but they succeeded in reducing their debts, clearing up large tax arrearages, strengthening their current accounts and discontinuing the makeshift bond refunding and relief borrowing methods that were a heritage of the depression.

Here is what happened in an important sample of the state's municipalities—the twelve cities, exclusive of New York City, of over 50,000 population. From the close of 1939 through 1944 they reduced their year-end property tax delinquency from an average of 6.6 per cent to an average of 3.1 per cent; they reduced their net debts 26 per cent in the aggregate; and they improved the cash position of their current accounts by a total of over \$12,000,000. At the same time the increase

in their combined property tax levies from 1939 to 1945 was limited to 2.1 per cent.

These were financial gains of substantial proportions; they were shared in greater or less degree by all the cities in the group; and they are fairly representative of what was accomplished by local governments throughout the state. But this record of achievement fails to disclose the whole story. Ten of these twelve cities at the end of last year still had debt loads that were considerably above average for United States cities of over 50,000 population; the current account balance sheets of half of them still showed cash deficits, which was something rather unique among American cities; and, as in virtually all American cities, the very restrained rise in the tax levy must be explained in part by deferred maintenance and other forms of wartime non-spending.

These wartime gains, in other words, did not place local governments in a state of comfortable affluence, with unlimited reserves of borrowing and spending power. They merely regained, or partially regained, the financial equilibrium which some of them began losing years before the advent of the great depression. This achievement gives them a fleeting opportunity, however, to rid themselves of any past fiscal policies that were weak or dan-

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gerous, and to adopt sound principles of finance in the postwar period that not only will hold these gains but will add to them.

Local governments cannot afford to miss this opportunity, because they need to be financially stable if they wish to hold their prerogatives of self-government through the perplexing period into which we are now moving. And it is bound to be a perplexing period for all types of local government. For example, most of the cities in the state except suburban cities virtually stopped growing after 1930. Even to hold their own, economically, they have a job of rehabilitation which will tax both their ingenuity and resources. We are anticipating, to be sure, a residential building boom of several years' duration; but it is quite probable that this will bring a further shifting of population, tending to reduce taxable values in our central cities and at the same time to create urban financial responsibilities in what are now semi-rural areas. It seems worth while to keep in mind, in this connection, that some of our municipalities are still seriously handicapped by the results of the unsound financial principles which they followed in the last building boom.

Recent experience emphasizes that consistently balanced budgets are the veritable keystone of municipal financial stability, but that a few unbalanced budgets may cause financial damage which will take several years to repair. A balanced budget, however, is not merely one which adds up to the same totals on both sides.

Most of them do that. What is needed is a budget in which there is no fiction or imagination or trick bookkeeping in the revenue estimate, and in which all the expenditures properly chargeable to the current year are incorporated in the appropriations. If all the local governments in the state were to make next year's budgets on this basis, it would mark a reassuring beginning in postwar municipal finance, but it would necessitate changes of policy in some places.

Cash or Accrual Basis

With respect to the estimating of revenues, there is some difference of opinion throughout the country as to whether the property tax should be estimated on a cash basis, that is, on the basis of anticipated actual collections of current and delinquent taxes during the year, or on an accrual basis, that is, treating the full current levy as revenue in the expectation that it all will be collected eventually. The cash basis method, now followed by Rochester and a few other municipalities in the state, has a number of advantages, among them the elimination of the cost of borrowing against delinquent taxes, and its suitability as a statewide system seems worth consideration. The accrual system, properly safeguarded, is entirely workable; but it has one by-product which tends to weaken budgets—the practice of using, for budget balancing, so-called surplus which, in fact, is only paper surplus. A sound amendment to budgetary policy in the state would be the restriction of the use of surplus in budget balancing to cash surplus.

Policies of cost deferment, methods of postponing to next year, or for several years, the payment of items which are properly classified as current expense, have no place in safe principles of local government finance. They merely deceive the taxpayer as to the actual cost of government, inflate future tax rates, and consume borrowing power which should be conserved for major improvement purposes. Recent practice in the state has included, variously, sale of bonds to fund accumulated operating deficits, continuance of the sale of relief bonds long after the period of real emergency had passed, refunding of maturing bonds to the extent that bond retirement from current revenues was subnormal, use of bonds to finance minor, steadily recurrent capital outlays which should be financed directly through the budget or by temporary certificates of indebtedness, and bond issues for routine repair jobs even in the current year. Such practices prompt the suggestion that a minimum pay-as-you-go policy for the postwar period should be pay-as-you-go for current expenses.

Budget balancing along these lines is one of the very best safeguards of financial stability, but it is far from easy for officials to accomplish when, on the one hand, the popular step is to reduce the tax rate and, on the other hand, expenses, particularly for welfare, tend to reach their highest point when the productivity of the rather narrowly restricted local revenue system is at its lowest point. The report last year of the New York State Commission on

Municipal Revenues and Reduction of Real Estate Taxes not only gave full recognition to the implications of this latter dilemma but offered a practical solution in the proposal to replace the sharing of fluctuating state taxes with stable grants and to limit local responsibility for financing unemployment relief. It is difficult to see how local government financial stability can be long maintained without the adoption of these proposals or their adequate equivalent.

Capital Undertakings

The question of safe relationship between fiscal capacity and the obligations undertaken can be reviewed every year with respect to current operating expenses, with some opportunity for making adjustments, if necessary; but when long-range commitments are made for large capital undertakings a municipality is obligating itself for fixed charges that may run for a generation or more. It is a sound principle of local government finance, therefore, that postwar physical improvements undertaken should follow a carefully worked out capital program, that the program should take full account of the community's prospective fiscal capacity, and that a long-range financial plan should be an integral part of the capital plan.

Some communities may be in the fortunate position of having only routine capital requirements which, with careful planning, they can finance from current revenues and, it may be added, they should finance in that manner so long as the nation and the community maintain a good

degree of prosperity. But the majority of communities are not so favored, and some of these more typical municipalities may find even their more pressing needs encroaching on the outer margins of fiscal capacity. This fact alone argues for the adoption of a long-range capital program prior to the undertaking of any large postwar capital projects. All projects to be financed should be a part of this program, and they should be given priorities in the order of their basic necessity. Conflicts of opinion are bound to arise over relative importance or need, which is one of the main reasons for adopting a program and for having it extend over a period of five years as a minimum and, tentatively at least, over a considerably longer period. The deliberation called for helps to avoid the demands of pressure groups, the sudden inspirations of promoters and the neglect of vital projects, and aids in concentrating on necessary municipal objectives.

Fiscal Capacity

If this program is really a sound, workable program, and not just a visionary projection of things hoped for, it, or at least that portion of it designed for local financing, will be aligned to the community's prospective fiscal capacity. But determining fiscal capacity means something more than computing legal borrowing margin because New York, like many other states, is rather generous in its grant of borrowing power to local governments. The system of overlapping local governments, outside New York City, which accounts for this would place in an unhappy

predicament a taxpayer who happened to live at one and the same time in a village, a town, a school district and a county, all of which used their full borrowing prerogatives. Thus the planning and measuring of fiscal capacity by any local government need to take into account the over-all picture, present and prospective. The situation, in fact, calls for interlocal government consultation and collaboration until such time as we can get rid of redundant local units.

The real job of determining fiscal capacity rests in estimating what the budgets of the next five or ten years can contribute to capital outlay. In the making of this estimate such factors need to be taken into consideration as the size of the service charge for present debt, the amount and rate of its annual reduction, the probable trend of taxable valuation, the prospects for increasing or decreasing operating expense, and the margin, if any, for increasing taxes without overburdening the taxpayers. Not to be overlooked, moreover, are the possible special sources of revenue which are available, or can be made available, for the financing of self-liquidating projects. A study of this kind by any one local government must extend also to an analysis of the finances of the overlapping local units of government.

Equipped with a rough estimate of what it can afford to spend for capital purposes over the next decade, a municipality is in a better position to decide on the extent to which it should use this money for service on new debt and on the extent to which

it should do direct pay-as-you-go financing. The decision cannot be made entirely on theoretical considerations of desirability, however, because present financial status, limitations of prospective resources, urgency of capital requirements and other factors create special situations which each municipality must work out for itself. It is a vitally important principle for sound postwar finance, however, that each situation should be met not on the basis of expediency but by a long-range financial plan designed to keep a municipality financially strong if it has already achieved that status, or to point steadily in the direction of greater stability where it is needed.

Long-term borrowing should, in any event, be confined to the financing of major and essential improvements of long utility and to serious emergency requirements. Whether pay-as-you-go financing of capital improvements ever can, or should entirely, replace bond financing for major and infrequently recurring projects is highly questionable, but it deserves greater use in the postwar period than it has received in previous periods of high construction activity. At a minimum, this method of financing should be applied to the many capital requirements which are steadily recurrent in nature and call for routine capital outlay which varies little from year to year. Municipalities which are in a favorable position to undertake more extensive pay-as-you-go programs, because they have good debt structures with rapidly declining annual service charges, should be encouraged to do

so, particularly during the years of the anticipated postwar replacement boom. Such a policy is not only anti-inflationary, but it gives a flexibility to budgets which helps to cushion local government finance against business depressions.

One highly improper special use of long-term borrowing calls for comment because of its possible recurrence on a large scale in the postwar period. This is the use of bond issues to finance improvements in new land subdivisions in such manner as virtually to constitute the lending of public credit for private speculative purposes. The consequences to some of our suburban areas in the 1930's from the pursuit of this policy in the 1920's should be sufficient warning that adequate safeguards should be provided and invoked, in the form of efficient zoning and subdivision control, not only in municipalities but in semi-rural areas lying in the path of urban expansion, before excessive debt or the potentialities for excessive debt are created by the coming building boom.

Reducing Costs

Somewhere, in a discussion of principles of sound local government finance in the next decade, there should be something about reducing the cost of government. Actually, the cost of local government is likely to move considerably upward without much delay. This is discouraging, to say the least, particularly at a time when the national debt and national taxes have closed in with their superior demands until it is no longer a relatively easy matter for municipi-

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Wanted: Municipal Statesmen

Steady expansion of municipal activities and services while revenues remain restricted creates complex fiscal problem and challenges political limitations and habits.

By CARL H. CHATTERS*

LOCAL governments have financial difficulties because their activities have been growing in number while their revenues have been restricted as to source and amount. The increased activities have tended to make some local governments more able than others to finance services from local revenues. As local governments have been required to render more services, the pattern of government has also become more complex and thus demands are made for financial assistance from the national and state governments to the local governments.

Dr. C. E. Merriam has stated that "we are faced by three important questions in city finances: (1) What is the urban area under modern conditions? (2) What are urban functions under modern conditions? (3) What part of the national or local income should be allocated to cities under modern conditions?" What is the urban area, what is the job of the city, and how much money

should it have? This poses the question in the broadest and clearest manner.

The financial problems of local governments are created by the multiplicity of their activities, the unequal economic resources of the various governmental units, the overlapping powers and privileges of local units, and the difficulty of controlling expenditures under a democratic system of government. As life in all its aspects has become more complex, the financial problems of local government have likewise become involved in a baffling combination of social, economic and political causes.

Two important problems then emerge: (1) How can the state or nation make grants, share taxes, or delegate taxing authority to local governments so that money will be available to them according to their needs? (2) Should there be equal opportunity for local services when the various units differ so greatly in their economic ability?

Specific Problems

Here are the specific financial problems of local government as they now appear.

1. Local governments must meet greatly increased costs of labor, material, services and equipment.

2. Public construction has been curtailed for fifteen years. Present

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costs are probably 25 per cent to 50 per cent higher than 1929 prices. Thus more dollars are required for the same volume of work at a time when many public works are vitally needed.

3. Several new or expanded services face local governments. Airport expenditures will be large for both construction and operation. Veterans' information centers are springing up and living memorials such as recreation halls will require capital and operating funds. Housing will be greatly expanded. No matter whether the housing is public or private, it can be built only by construction of sewers, streets, water mains, sidewalks and other facilities.

4. Returning veterans, who are absent from local government service on military leave, will be coming back to their old jobs and increasing local payrolls. In their absence wages and salaries were increased but revenues could remain fairly static because total employment was less and capital expenditures were greatly reduced. Now the local governments will pay more people and they must also reinstate capital expenditures. While more money will be needed the local governments may expect to encounter falling tax collections, some general unemployment, and a somewhat hostile public.

5. The redevelopment of blighted areas is the number one question in hundreds of cities. It seems as difficult as lifting one's self by his own boot straps. Yet cities cannot prosper nor finance themselves when the property with the highest value becomes worthless.

6. The increasing volume of exemptions from the real estate tax will plague the cities. These exemptions alone go far toward making the property tax inadequate and unfair.

7. The central cities in metropolitan areas subsidize their own competition. The central city provides the highways by which citizens escape to suburbs; it usually gives service to surrounding areas or individuals at a nominal rate while charging its own citizens the full cost; and it usually provides hospitals for a larger area than its own. People move outside the cities to have lower taxes. In many cases the rural or unincorporated areas can have lower taxes because they get part of their services from the central city and part of their money from state-distributed revenues.

8. Local governments face long term commitments for debt, pensions and vital services. The financial and service demands are quite inflexible while the revenue system generally yields decreasing income to local governments when needs are greatest.

9. Local governments generally are unable to pay salaries large enough to attract and keep the technical and administrative personnel required. The smaller units of government generally suffer more than the more populous units from lack of technical advice.

10. Many states, by constitution or statute, place drastic limits on local government taxation. Some of these states then give large subsidies to one or more local functions such as schools while rendering no

compensating assistance to other activities. The cities which are the centers of wealth and bear the lion's share of the service burdens are unable to tax the wealth which exists in their midst. The total cost of government at all levels would probably be reduced if local governments had broader taxing powers so that state and federal assistance would not be so greatly demanded. The question arises, "How can local governments reach the local income or local wealth to finance local services?"

11. The local governments have assumed services which cannot be properly financed by the present methods of public finance. The entire highway system inside the cities and the cost of traffic installations and traffic control have been financed from local property taxes, general and special, while motor vehicle revenues were usually spent outside the cities. Property tax revenues have been used to finance health and welfare activities when this tax is no suitable base for those purposes. The truth is that the sum total of local government activities has grown in nature and extent while the local revenue system has generally remained static.

Intergovernmental Problems

To bring local revenue problems into sharper focus, they may be classified by groups such as social, economic and political.

Nearly all financial problems of local government must be solved within a framework which we usually call intergovernmental fiscal rela-

tions. A mere listing of items here reveals the problems:

1. How shall the federal government distribute financial aid for housing, roads, airports and social services?

2. Do state and federal grants encourage more or less local spending?

3. What results from state grants and state-shared taxes?

4. At what point should the state limit the kind and amount of taxes that localities may levy?

5. State supervision of local financial matters may be a blessing or a curse. What are the proper limits for state supervision, state auditing and state advice?

6. Many states fix by state statute the salaries of local employees or officials. Why?

7. The problems caused by several governmental units occupying the same geographic area are next discussed.

In most states the pattern of local government is complex because the city, county, township, school district and various special districts may be levying taxes on the same property. Usually there is no central authority to make a rational allocation of revenues in such cases. There is lack of unified financial planning among the units which occupy the same area, frequently there are two or more separate valuations of property, there may be duplication of services, and there certainly are conflicting claims for the revenue that is available. While the number of small school districts has been declining, the number of special pur-

pose authorities has been greatly increasing.

Thus at the local level there is competition among units of government occupying the same area and there is also competition among the departments, services or functions within a single governmental unit. Would it be rational to have a single governmental unit to levy all taxes and perform all services in a given geographic area, no matter how large or how small it may be? Maybe not, but it is worth thinking about.

Economic Problems

Many local government finance problems are economic in nature. The governmental unit may be rich or poor, small or large, diversified or specialized, residential or industrial, and growing, static or declining. The legally constituted area of the city may include, but too frequently excludes, the industries and areas which constitute the economic area of the city. Within a given state and surely within the nation the needs may be in one community and the economic resources in another. Within a given city there are demands for extension of services to areas where they cannot be economically justified. Debt problems arise too when the economic base of a community is misjudged or ignored.

The revenue system heretofore available to cities has ignored the economic ability of some cities to meet their own needs if they are given enough authority. The local revenue system is such that revenues shrink when needs expand. Also debts are usually incurred when prices are high; the debts are in-

flexible and no provision is made to levy taxes and pay or refund debts when money is plentiful or interest rates are low.

Local government frequently appears to have been organized and financed without regard to economic resources or economic changes. But the application of economic laws implies a rational approach to local finance problems. Are we politically and socially ready for this approach?

Social Problems

Changing social conditions have done more than anything else to bring about the present problems of local government. Some of these changes are:

1. Free public education;
2. The automobile and thus requirements for highways, bridges, sewers, traffic lights, traffic police and general mobility of people;
3. Care of the aged, the sick, the widows, the orphans, the blind, the unemployed, the former soldier and the expectant mother;
4. Retirement plans for public employees;
5. Extension of recreational facilities, public housing, public health centers and public hospitals.

Many of these social changes come directly from the changing pattern of industry, its growth, its specialization, its centralization and the impersonal character of the management.

Finally, there are some local financial problems which are political problems. The whole realm of intergovernmental fiscal problems must be solved or aggravated by

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How Will Cities Get the Money?

Since property tax is unable to bear entire burden of costs of municipal government, other taxes should be made available; sales, income, utilities levies suggested.

By PAUL STUDENSKI*

NEW YORK State, along with the rest of the nation, according to all indications, is set for a great and somewhat inflationary expansion of business activity for the next five years or so. What will happen after that no one knows. But the likelihood is that at some time there will be a sharp depression. If this be true, then our municipalities will likewise pass through a more or less prolonged period of expansion of activities and finances to be followed by a period of contraction.

Municipalities will be compelled during the period of expansion to extend considerably those facilities and activities which businessmen consider to be most essential to their operations, such as the improvement of streets and boulevards, traffic control and suppression of crime. They will be required similarly to extend services in which other pressure groups are interested, such as education, recreation, public housing, health protection, hospitals and so-

cial welfare. Municipal expenditures under these conditions will increase. They will also grow larger because of the salary increases and higher costs of materials and supplies which will be inevitable. Revenues of the municipalities may readily become insufficient during this period to meet increased expenditures.

It would be most unfortunate if municipalities were to endeavor to procure most of their additional requirements during this period from property taxes. These taxes are too heavy already and exercise a deleterious effect on the ownership and improvement of property. They should be made less burdensome, rather than more so.

The state should provide to the localities additional specific aids and general allocations from shared taxes. This method of amplifying municipal revenue resources is desirable for at least three reasons: First, it will make available to the localities the proceeds of revenues which are closely related to business activity and incomes and which the state alone can raise successfully. Second, it can make the additional revenue available to the municipalities in accordance with their respective needs, and inversely rather than proportionately to their respective fiscal capacities. Even the poorest municipalities will be able thereunder to maintain certain minimum educational

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and other social services. Third, the increase in state aids and shared taxes, besides helping municipalities to defray their additional expenditures, will afford some relief to real estate.

The state has already made a significant start in the direction of such an extension and improvement of its assistance. In 1945 it revised upward the formula of its aid to education and provided for a greater measure of equalization. It has set the Moore Commission and a special Governor's Committee to work on a comprehensive revision of the rest of the state's assistances. This revision is aimed not only at an increase of the aggregate amounts of these assistances but also at a more advantageous distribution of them among various purposes and at a more equitable apportionment of them among different municipalities.

Another announced objective is to stabilize the annual allocations from shared taxes so as to add firmness and balance to the finances of the municipalities over periods of years. It is to be hoped that this program will be fully and satisfactorily evolved and will be approved by the legislature during the 1946 session.

The state should not attempt, however, to expand these assistances to a point where they would supply to the localities the greater portion of their required additional funds. This would only encourage wasteful expenditures and weaken local self-government. It could never hope through such assistances to take care of special local needs. Only the municipalities themselves could do this through the exercise of their own taxing powers.

The greater portion of the needed moneys should come from local sources. The taxing powers of the municipalities should be broadened so that they may procure these funds in the needed measure and by the use of taxes, other than the real estate tax, best suited to their particular conditions. These powers should be granted to them not temporarily but permanently.

Broaden Local Tax Powers

Any municipality, large or small, acting under such broadened taxing powers, should be able to administer successfully taxes on electric light, gas and telephone bills, theater admissions and gross receipts from business, and to derive substantial revenues therefrom.

New York City has demonstrated its ability to administer effectively a sales tax. It should be permitted, if it so desires, to increase the rate of this levy from one to two per cent—the rate at which the tax was imposed a few years ago—and to use the additional proceeds for whatever purpose it deems best, whether this be subway improvements, subsidies to public housing and slum clearance, or the support of the general city budget. Other large cities in the state, such as Buffalo, Rochester and Syracuse, and aggregations of contiguous medium-sized cities, such as Binghamton, Endicott and Johnson City, should be able to administer a local sales tax almost as effectively as New York City. They should be allowed to do so if they wish.

All large cities should be capable of administering a tax on income from salaries and wages such as the one now being levied in Philadel-

phia, or a tax on the occupants of buildings, based on their actual or imputed rents. Both of these taxes possess the virtue of reaching directly practically every gainfully employed citizen in the locality. They are, therefore, better calculated to drive home the realization of the ultimate costs of any proposed large increases in municipal expenditures than the property tax which applies directly only to those citizens who own real estate. The tax on incomes from salaries and wages has the additional advantage over the property tax of reaching the persons who work in the city but reside in the suburbs and who rightfully should make some contributions to the support of the city's services.

Both these taxes are as administrable on a local basis as the property tax. Before attempting, therefore, to raise additional revenue from the real estate tax, our larger cities might well consider the advisability of introducing as a supplement thereto either the sales tax (or an additional rate thereof) or one or the other of the aforementioned two levies.

Some municipal officials may not welcome the proposed extension of the taxing powers of their municipalities. They may not wish to be placed in a position where they must either oppose requests for additional expenditures or recommend the imposition of new taxes to finance them. But let us hope that the number of such officials will not be large—that most officials will be glad to have the state vest additional taxing powers in their municipalities and will unflinchingly accept the responsibility to

guard these powers against illegitimate or wasteful use.

Borrowing a Source of Revenue

Another source open to municipalities for procuring additional resources is borrowing. Most of our municipalities have been forced by circumstances during the past ten to fifteen years to reduce their debts. They have built up, as a consequence, a substantial margin of unused debt-incurring power by this time. It would be most unwise for these municipalities, however, to use more than a portion of this debt-incurring power during the forthcoming period of expansion. They should endeavor to conserve a substantial portion of it to meet the emergencies of the succeeding period of contraction. They should restrict their borrowings, in the main, to revenue-producing undertakings.

Some municipalities, such as Buffalo, Rochester and Syracuse, are seriously considering starting permanently on a 100 per cent pay-as-you-go plan. They would like to become completely debt free in the course of time. Whether they will actually venture on this program, and adhere to it, remains to be seen. Most of our municipalities will be doing well if they follow a partial pay-as-you-go plan, involving the financing of only a portion of their capital outlays directly from taxes.

One way for municipalities to avoid piling up large debts during periods of expansion, which it might be difficult for them to service during subsequent depressions, is to restrict their borrowings for non-revenue producing improvements to relatively

short terms, say ten to twenty years.

At the same time provision should be made by the municipalities for the achievement of some flexibility in their debt retirement policies. During periods of prosperity the municipalities may well afford to amortize or redeem bonds rapidly, but during periods of depression they should be allowed to do so more slowly. They should accordingly either reserve to themselves the right during periods of depression to extend the maturities of bonds which run for relatively short terms for an additional period of, say, five years, or they should voluntarily during periods of prosperity further accelerate the rate of retirement of such bonds so that during periods of depression they may be able correspondingly to decelerate the rate.

An Example

There may be some objection from the bond market to the first-mentioned method of achieving flexibility in municipal debt retirements. But there could be none, in my opinion, to the second proposed method. To insure against the possibility of unjustified deferments of appropriations to sinking funds under this method, any such deferments could be made subject to the authorization by the comptroller of the state.

Here is an example of the operation of this plan. A municipality venturing on an improvement having a life of, say, 30 years, would finance it by the issuance of bonds running for terms of fifteen years (one to fifteen in the case of serial issues) and callable after five years. Taking advantage of favorable conditions,

however, it would proceed to amortize or redeem these bonds over a shorter period, say ten years. Accordingly, if these are sinking fund bonds it would correspondingly increase its amortization payments forthwith, while if they are serial bonds it would begin to double up on its annual redemptions during the sixth year of the issue.

If, then, at any time during the ten-year period in the case of the sinking fund bonds, or, between the sixth and tenth year in the case of the serial issues, business conditions should become reversed, precipitating a crisis in municipal finance, the municipality could revert to the fifteen-year term for which the bonds were originally issued. It could suspend for two or three years any further amortization or redemption payments on them, resuming the payments after that at a slower rate appropriate to the fifteen-year term of issue. The municipality would thus secure some measure of financial relief from the heavy debt payments which otherwise would have been required of it because of such issues.

The adoption of some such plan of flexible debt retirements would, in my opinion, be highly beneficial to the municipalities. The customary type of a callable bond is all right. But it does not contain within it the seeds of an organized flexible debt retirement. This plan attempts to fill the gap. It is recommended to the earnest consideration of the municipalities as an alternative to a 100 per cent pay-as-you-go plan.

To summarize, municipal finances should be planned at this time not

only with a view to the requirements of the period of expansion immediately ahead but also with a view to those of the probable subsequent contraction. Increases in property assessments and in the rates of property taxes should be avoided so far as possible. State assistances to the localities should be increased. They should be distributed more advantageously among various objectives and apportioned more equitably among the different municipalities, and the amounts of allocations from shared taxes should be made more stable. Taxing powers of the localities should be broadened. The localities should exercise these powers in meeting their peculiar needs as they deem best. Borrowing should be employed by the municipalities during the next few years mainly for revenue-producing projects, and only sparsely and for relatively short terms for other purposes. Debt retirement policies should be flexible. In the observance of these principles, I believe, lies the future solvency and prosperity of municipal finance.

EDITOR'S NOTE.—Address delivered before conference on Local Government Services, 1945-1955, at Albany, New York, under sponsorship of New York State Department of Audit and Control.

WANTED: MUNICIPAL STATESMEN

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considerations political in their nature such as the urban-rural conflict, the federal-state-local relationship, the city-county-town-school discussion and even the battle of the First Ward against the Second Ward.

Political Problems

There are more serious and immediate political problems. Just plain political considerations have frequently decided the distribution of state aid or state-shared taxes. Political considerations in a democracy create the urge to spend and to refrain from taxing. Political considerations are largely responsible for the multiple units of government serving a single area—that is, political considerations prevent the elimination of unnecessary units. Political considerations dictate the boundaries of cities so that the legal city and the economic city are not the same. Political considerations make it difficult for local governments to keep trained financial staff members and to plan a sound program of local finance. Political considerations make it difficult at times to organize the financial activities of a single city so that it can be clearly determined who is responsible for the city's finances, who exercises control over expenditures and who enforces the collection of revenues. Nearly all these political considerations are inherent in our democratic scheme of government with a distribution of powers and responsibilities to many levels of government.

The fiscal problems of local government are challenging. Their solution will be found only through the highest degree of fiscal statesmanship.

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News in Review

City, State and Nation

Edited by H. M. Olmsted

Housing Crisis Plagues All Government Levels

Remedies Are Sought in Cities, States and Nation

THE lag—or virtual cessation—in housing construction over many years, combined with the return of millions of war veterans and the migrations of war workers and their families, has raised the housing problem to a primary position throughout the nation. The federal government, the states and many cities are struggling to find both quick and lasting solutions to the need—not merely of good housing in ample quantity but, in many localities, of any houses at all for large numbers of veterans and migrants.

Mayors of many cities attending the annual meeting of the United States Conference of Mayors in New York City, December 10, 11 and 12, agreed that the provision of additional housing is the most pressing problem facing municipalities today. President Truman, in a message to the conference calling for municipal cooperation with the federal government in many programs during the reconversion period, said that a major responsibility which must be met is housing—"housing for veterans, public housing, assistance to home owners and elimination of slums and blighted areas." The chief recommendations of the committee on legislation, headed by Mayor Walter Chandler of Memphis, called for release by the federal government, including the War and Navy Departments, of building materials needed for new houses, and for a definite federal

policy on assisting cities with public works.

The mayors unanimously adopted a resolution calling on Congress to appropriate \$190,000,000 to enable the National Housing Agency to make 100,000 surplus temporary housing units in various parts of the country available to communities for the use of returning servicemen and the families of those not yet discharged—and to give control of the houses to the municipalities. On the same day John B. Blandford, National Housing Administrator, promised that the NHA would if authorized carry out this emergency program with the utmost speed. He urged federal and local cooperation to get the maximum use of existing civilian housing for veterans' needs, production of 500,000 new houses in 1946, and comprehensive housing legislation to provide permanent solutions. He stated that the nation faces a deficit of housing accommodations for three million people by the end of 1946.

Further resolutions on housing adopted by the mayors conference included approval of extending federal rent control beyond July 1, endorsement of the Wagner-Ellender-Taft bill, and changing OPA regulations to encourage home sharing in the housing crisis.

On December 12 President Truman announced approval of a program for speedy release of surplus housing units and building materials for veterans and their families, immediate establishment of priorities of building materials for single and multiple dwelling units costing \$10,000 or less, and legislation authorizing ceiling prices to be set for old and new housing.

A nation-wide Associated Press survey, results of which were made public in December, indicated housing scarcities in all sections of the country.

Immediate housing needs in twelve cities, large and small, based on estimates of required housing units by public officials and real estate men, were cited as samples: Chicago, 100,000; Detroit, 30,000; Washington, 25,000; Houston, 21,200; Kansas City, Missouri, 19,000; Denver, 15,000; Omaha, 5,000; Nashville, 4,000; Atlanta, 2,500; Topeka, 1,250; Danbury, Connecticut, 500; and Jefferson City, Missouri, 400.

New York Program

Governor Thomas E. Dewey of New York estimated that 250,000 housing units are needed in that state alone. On December 10 he, together with the heads of six state agencies, took steps to speed up the conversion of military housing installations in New York City into emergency dwelling units for some 10,000 people. It was agreed that the normal processes of careful scrutiny and approvals be minimized to avoid delay. The state budget director arranged for immediate allocation of approved funds and the commissioner of standards and purchase undertook to accept bids by telephone instead of by the usual slower processes; he would also have a man on the job itself, as would also the superintendent of public works, the attorney-general and the comptroller, in the effort to meet emergencies swiftly and to do in days what would otherwise take weeks or months.

In New York City in December the Citizens Housing Council proposed a long-term program to help in the present emergency and to eliminate the city's slums by the end of a ten-year period. It takes the estimate of the New York City Housing Authority that 500,000 families in New York live in substandard housing. That agency produced 17,040 apartments for low-income families in ten years and plans to care for 18,000 more in the next few

years. The *New York Times* commented editorially on December 7:

"The council has decided that federal and state aid will not be sufficient to rehouse this city's low-grade-housing population in less than a century or so. It believes that the city must take the initiative, plan slum clearance on a huge scale, relate the planning with public uses of land, and at the same time encourage and control private housing enterprises.

"The council proposes that the city take responsibility for 250,000 dwellings, which could be erected at a cost of about \$1,675,000,000. It is thought that this sum could be borrowed for a maximum period of 45 years at an interest rate of 2 per cent, or a little less. The subsidy which the city would be expected to pay would be about equal to the interest, or something like \$134 a family a year. Beginning at \$3,000,000 a year it would rise, as construction proceeded, to \$33,500,000 in the tenth year. The subsidy plus earnings would retire the bonds by the 45th year. To meet the payments the council would use the proceeds of the 1 per cent sales tax. . . .

"The council's plan ought to have the most careful scrutiny. The burden of proof will be on those who say it can't be carried out, and even more on those who say it ought not to be."

Council-Manager Plan Developments

At least 28 cities and towns adopted the council-manager plan in 1945 and have been added to the official list of the International City Managers' Association. They are located in fifteen states, with one (Drummondville) in the province of Quebec, Canada. Maine and Texas each added six: Rockland, Old Town, Fairfield, Orient, Dyer Brook and Reed Plantation, in Maine, and Corpus Christi, McAllen, Burnet,

Lamesa, Pittsburg and Raymondville in Texas. Kansas added two: Independence and Liberal. Vermont added the town of Chester and the village of the same name. The other additions were each in separate states: Brookfield, Illinois; Brookfield, Missouri; Burlington, North Carolina; Carey, Ohio; Chester, South Carolina; Corbin, Kentucky; Gatlinburg, Tennessee; Key West, Florida; Lynwood, California; State College, Pennsylvania; and Vassar, Michigan. All of these adoptions have been previously noted in the REVIEW except those in Lynwood, California, and Chester (village), Vermont.

At a meeting of the **Hartford (Connecticut)** Charter Commission on November 30, consideration of the manager plan was urged by Mayor Mortenson and three former mayors of Hartford. They also agreed that the present common council of twenty members, five elected at large and fifteen from wards, should be replaced by a smaller body elected at large. Three other former mayors who were invited to the meeting did not appear.

According to the **Pittsfield (Massachusetts)** Taxpayers' Association, revision of that city's charter is favored by various elements, with considerable sentiment for the council-manager plan, although the present government there is not charged with dishonesty or corruption.

Interest in the council-manager plan for **Ottawa, Kansas**, where it has been discussed over a period of years, was stimulated by an address on November 6 by L. P. Cookingham, manager of Kansas City, Missouri, at the annual meeting of the Chamber of Commerce. He explained the principles and workings of the plan to an audience of some 200. The *Ottawa Herald* commended the plan editorially.

At a special election in **Sheridan,**

Wyoming, on October 30, a proposition to adopt the manager plan was defeated, 1,108 to 794. A companion referendum as to mode of election of the council if the manager plan were approved resulted in 480 votes for election at large, 526 for election by wards, and 347 for a combination of both.

A campaign for adoption of the manager plan is under way in **Ennis, Texas**.

Petitions for a referendum election on the manager plan have been circulated in **Carrizo Springs, Texas**, and more signatures than required are reported to have been obtained.

In **Tucumcari, New Mexico**, a petition for popular vote on adoption of the manager plan has been presented to the city council, with prospects for an early election.

A citizens' committee in **Santa Ana, California**, is making a study of the charter.

Thirty-four **Texas** managers held an annual meeting in Austin on November 5, in connection with the convention of the League of Texas Municipalities.

Many Cities Provide Veterans' Information Centers

Information centers for veterans have been established in at least half of the cities of more than 50,000 population and in approximately a third of the cities between 25,000 and 50,000, the International City Managers' Association reports on the basis of a survey of centers in cities of more than 25,000 population. The centers are financed entirely by the city in about a third of the cities reporting, by the local community fund or war chest in another third, and by the city and county or jointly by public and private agencies in the remaining third.

These centers act chiefly as central

clearing houses of information and counselling for veterans.

In about half of nearly 150 cities reporting on the services rendered such services are limited to information and referral, while half provide additional services. Many centers aid veterans in preparing and filing papers, claims and applications, by which they obtain pensions, allotments and other rights and benefits. Only a few do job placement work, although approximately four out of five provide some vocational guidance service—often by referral to the proper agency.

Establishment of local information centers has been stimulated by state programs in Connecticut, Massachusetts, Michigan and New York, and by the veterans' service committee formed at state and local levels as the result of Order No. 1 of the Retraining and Re-employment Administration of May 17, 1944, these committees being made up of representatives of the Veterans' Administration, Selective Service System, and the United States Employment Service.

Fire Protection Beyond Municipal Limits

In Pennsylvania 169 municipalities between 5,000 and 25,000 population are reported to be providing fire protection beyond their own corporate limits. Of these, 125 make no charge to the areas served; 44 municipalities make some charges. The charges are either annual, hourly, a fixed charge per fire, or a charge based on assessed valuations. A fixed charge based on the assessed value of real property in the areas protected distributes the cost of fire protection most fairly among all users.

First New England Municipal Report Contest

At the 21st annual conference of

the New England Council, in Boston on November 16, awards for good municipal reports were granted to ten New England communities. This was the first New England Municipal Report Competition, according to *The New England Townsman*, which notes that the 1945 Maine Town Report Competition had also been held, with eight primary and sixteen secondary awards granted, and that three Maine towns were among the ten receiving awards in the New England contest, Maine thus leading the other states.

The Tarrytowns Weigh Consolidation Gain

Advantages of combining the villages of Tarrytown and North Tarrytown, New York, into a single city were stressed at a forum discussion on November 30, with little opposition argument. One government would be eliminated for each community by the consolidation, inasmuch as in New York State the town (township) government functions in a village as well as the village government, whereas a city is independent of the town. A better school setup was also envisaged, and it was asserted that additional tax sources would be available to a city government.

New Publications of Kansas Municipalities League

Eight bulletins dealing with various phases of local government were compiled and published by the League of Kansas Municipalities in 1945 with a view to aiding local government officials.

Handbook for the Mayor of the City of the Third Class, Mayor and Council Form of Government, is the first publication under the league's new three-year research program in local government. It applies to the 500 cities of the third class and is the first of a series of handbooks for public officials

—mayors of second-class cities, county commissioners and school boards, among others.

Other publications include: *1944 Kansas Tax Rate Book*—a compilation of city, city school and county tax rates effective for 589 cities and 105 counties, including assessments, debt, etc.; *1944 city-owned electric, water and gas reports*; *1945-1946 Kansas Directory of Public Officials*—federal, state, city, county, school and township officers; *Status of County Unit Road System*; *Kansas Governmental Calendar*, compiled by Albert B. Martin, general attorney, for state, county, city, school and other governmental units; *Instruction in State and Local Government Offered by Kansas Colleges*; *1945 Supplement to the Handbook for Kansas Public Improvements*, also compiled by Mr. Martin.

JOHN G. STURTZ, *Executive Director*
League of Kansas Municipalities

Street-Lighting Data Obtained from 51 Cities

A recent survey of municipal street-lighting practices, by the American Public Works Association, covers 51 cities with a total population of 24,650,000. Seventeen are over 300,000 population; seven are between 100,000 and 300,000; and the other 27 have a population of less than 100,000.

Total street mileage reported by the 51 cities is 34,800, with 29,100 miles lighted; and a total of 676,000 street lights in service of which 48 per cent are municipally owned. Municipalities operate and maintain 259,000 street lights; private utilities or contractors, 417,000. Electrical energy is supplied by the municipality for 8 per cent of the street lights reported. One large and six small municipalities own and operate their own generating equipment. Of 48 that have alleys, 26 light all or part of the alleys. Much other data on lighting practice was obtained.

Redistricting Completed for Missouri Senate

On October 18, 1945, the Missouri Redistricting Commission filed its order for a division of Missouri into 34 new senatorial districts, the first revision since 1901. Under the plan the city of St. Louis will have seven senators instead of six, St. Louis County will have two instead of sharing one with two other counties, and Jackson County (Kansas City) will have four instead of two. These districts must be laid out by the Board of Elections Commissioners of the city of St. Louis and by the county courts (county board) in Jackson and St. Louis Counties.

The new districts will give sixteen senators to predominantly urban counties, though Jasper (Joplin) must share its senator with three smaller counties. The other eighteen are from rural districts.

The new districts are convenient, composed of contiguous territory, and fairly equal in population since no county could be divided. No district varies as much as 25 per cent from the quotient obtained by dividing the total population of the state by 34. No district has fewer than 83,435 residents nor more than 139,141, whereas the old districts varied from less than 50,000 to over 320,000.

It is claimed that the 21 new districts already fixed by the commission are equally divided politically, nine being normally Democratic, nine normally Republican, and three doubtful. Consequently, either party will have a fair chance to obtain a majority in any election. Since 1901 the Senate has had only two Republican majorities, in 1921-22 and 1945-46 respectively, although the Republicans carried the state for president five times and elected five governors during the same period.

The commission consisted of five Democrats and five Republicans appointed by the governor from lists of ten Democrats and ten Republicans furnished by the respective state committees, as provided in the new constitution. After some five months' deliberation the members agreed unanimously on 21 districts and the assignment of thirteen to the three largest units as indicated above.

If the commission had not redistricted within six months state senators would have been elected at large in 1946, following which a new commission would be appointed in like manner and with like effect. Having elected congressmen at large in 1932, the convention thought such a penalty would compel redistricting. Anyway, the scheme worked.

WILLIAM L. BRADSHAW
University of Missouri

Maryland High Court Approves Voluntary Check-off

On November 28, 1945, the Maryland Court of Appeals ruled on a lower court decision holding invalid a contract between the Department of Public Works of that city and the Municipal Chauffeurs, Helpers and Garage Employees Local Union (A. F. of L.). This contract prescribed the closed shop and compulsory check-off, or deduction of union dues from employees' pay. In disapproving these provisions the lower court stated, however, that a "purely voluntary" check-off is permissible. Mugford and Byrd, taxpayer plaintiffs, carried the latter point to the Court of Appeals, which in sustaining the lower court noted also that as the ruling declaring the contract invalid had not been appealed by the defendants (the city and the union) it was the law of the case. The court said that if a city employee voluntarily asks the central payroll bureau to deduct union dues from his wages, re-

serving his right to discontinue such payments, the city could permit it. However, the court took occasion to emphasize that the city authorities cannot delegate or abdicate their continuing discretion as to hours, wages and working conditions.

An editorial writer in the *Baltimore Sun* of December 2 noted that the union (with a new contract) flourishes despite the ostensible legal prohibition of the closed shop, the compulsory check-off and the right to strike.

Congress Facilitates Federal Reorganization

The compromise bill to enable the President to reorganize and consolidate the executive establishment was approved by the Senate on December 13, by a vote of 48 to 23, after the House of Representatives had unanimously accepted the bill as revised in joint conference.

The exemptions, which fluctuated at various stages of the bill's consideration, finally included the civil functions of the Corps of Engineers of the Army, the General Accounting Office, and the Controller General, which were completely excluded from the bill's reorganization provisions. The latter two are direct agencies of Congress. Exempted, except that functions, agencies and personnel may be transferred to them, are the Interstate Commerce Commission, Federal Trade Commission, Securities and Exchange Commission, National Mediation Board, National Railroad Adjustment Board and Railroad Retirement Board.

The Federal Deposit Insurance Corporation, Federal Communications Commission, Tariff Commission and Veterans Administration were also exempted, but only to the extent that if reorganized they must be dealt with separately and under plans that affect no other agency.

Researcher's Digest

GRA Holds Annual Conference

Governmental Problems and Citizen Action Discussed

LESLIE M. GRAVLIN, director of the Hartford Governmental Research Institute, was re-elected president of the **Governmental Research Association** at its national conference held December 13, 14 and 15 at the Hotel Statler, Detroit, Michigan.

Carl P. Herbert, director of the St. Paul Bureau of Municipal Research, was elected vice president to succeed Loren B. Miller, director of the Detroit Bureau of Governmental Research.

Chosen as trustees were: Alvin A. Burger, research director of the New Jersey State Chamber of Commerce; Welles A. Gray, Citizens National Committee, Washington, D. C.; Douglas Sutherland, executive secretary of the Chicago Civic Federation; Alfred Smith, director of the San Francisco Bureau of Governmental Research; Lennox L. Moak, executive director of the Bureau of Governmental Research, New Orleans.

The trustees re-elected Mr. Burger as treasurer and G. Gordon Tegnell as secretary.

State-local relationships, state constitutional revision, federal financial problems and citizens' concern with local government were discussed by speakers who included the following: John F. Sly, director, the Princeton Surveys and consultant of the Governmental Research Association; William Anderson, chairman, Department of Political Science, University of Minnesota; Harold L. Henderson, executive director, Minnesota Institute of Governmental Research; John A. Perkins,

Political Science Department, University of Michigan; Harvey Walker, Ohio State University; B. E. Hutchinson, vice president, Chrysler Corporation; Senator Leverett Saltonstall of Massachusetts, who addressed the conference dinner meeting by telephone when his plane was grounded by a snowstorm; John E. Bebout, director, Cleveland Bureau of Governmental Research; Charlton F. Chute, director of research, Missouri Legislative Research Committee; Howard Volgenau, manager, Governmental Affairs Department, United States Chamber of Commerce; Maxwell E. McDowell, Standard Oil Company of New Jersey; and Lent D. Upson, dean, School of Public Affairs and Social Work, Wayne University.

Philadelphia Debt

Philadelphia's Debt Limit (31 pages) has been prepared by the **Philadelphia Bureau of Municipal Research** for the Philadelphia Development Committee. The report discusses Philadelphia's debt limit, which is now 10 per cent of the last assessed valuation of taxable property, and the question of whether it should be changed to a percentage of the average of the last ten annual assessed valuations of taxable real estate only. A proposed constitutional amendment is set forth in the report which would give Philadelphia a more stable debt limit, one which would rise less sharply in periods of boom and fall less abruptly in times of depression. William C. Beyer, director of the bureau, prepared the text. W. W. Jeanes, under the direction of Robert J. Patterson, the bureau's chief accountant, prepared tables and charts.

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Massachusetts Proposals

Three timely publications have been issued by the **Massachusetts Federation of Taxpayers Associations, Inc.**, of which Norman MacDonald is executive

director. *Municipal Law Changes Made by the Massachusetts Legislature 1945* (20 pages) divides the new legislation into eight general topics—changes affecting municipal employees, city and town clerks, elections, municipal finance, public welfare, schools, taxation and miscellaneous, with appropriate subdivisions under each; *Proposal for the Establishment of a Department of Commerce and Development in Massachusetts*, which has been submitted to the Special Commission Relative to Establishing a State Department of Commerce created by the 1945 legislature; *Adoption by Reference—A Proposal to Facilitate Building Code Preparation and Revision in Massachusetts Communities*, prepared for the Recess Commission on Safety of Persons in Buildings, created by the 1943 legislature and revived by the 1945 body.

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Pay-As-You-Go

In its *Newsletter* for November the **Pennsylvania Economy League, Western Division**, advocated a pay-as-you-go plan for Pittsburgh "even if it means tax increases." The *Newsletter* also discusses "city finances in the light of state action—or lack of it," says the introduction of Leslie J. Reese, vice president.

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Milwaukee Purchasing

Albert Pleydell, commissioner of purchase of the city of New York, is author of *City of Milwaukee's Storehouses and Storerooms—A Report to the Citizens' Bureau of Milwaukee* (43 pages). Norman N. Gill, executive director of the bureau, announces that citizen governmental research bureaus may receive a copy of the report without charge; to others it is a dollar.

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Seattle Reports

The **Seattle Municipal League for Governmental Research** has issued two

new reports: *Seattle Schools Aid in Veteran Adjustment* (2 pages), prepared by John C. Bollens, the league's research director, and *Management of Our City Owned Utilities* (4 pages), a report to the Special utilities Management Committee. A third study, *Report on New City Charter* (8 pages), is treated more extensively on page 31 of this issue. C. A. Crosser is executive secretary of the league. * * *

Coordinating Public Works

A Public Works Review Board, with representation of federal, state, county and municipal agencies, has been proposed by Dr. George W. Bemis, author of *Coordinated Public Works for Metropolitan Los Angeles* (25 pages, ten cents). The publication has been issued by the **John Randolph Haynes and Dora Haynes Foundation**. "The creation of a new administrative agency to coordinate the execution of major programs of public construction within metropolitan areas is essential if the mistakes of the past are to be avoided and if the more difficult problems of the immediate future are to be handled effectively," warns the author in his conclusions. "The proposed board would provide the Los Angeles area with the necessary working machinery for the coordination of a variety of programs in the general interest of the public to be served."

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Nebraska Education Problems

The **Nebraska Legislative Council** has published *Educational Problems in Nebraska* as its Report No. 28. Roger V. Shumate, director of research, comments in the preface that "its purposes are to describe briefly the most immediate problems which confront the public schools in Nebraska, to indicate some of the steps now being taken to meet these problems, and to summarize the proposed solutions which are most frequently encountered."

Citizen Action

Edited by Elsie S. Parker

Seattle League Supports New Charter

*Plans Active Campaign to
Secure Adoption in March*

BASING its action on a report of its Governmental Research Committee, the Board of Trustees of the **Seattle Municipal League**, C. A. Crosser, executive secretary, has adopted a resolution endorsing the proposed revised charter for Seattle submitted by the Freeholders' Charter Commission. Date of the election is March 12.¹

The resolution states that the league will "vigorously support the charter and through its appropriate committees will promote an educational campaign." It recommends also that "all civic and other groups hold one or more meetings during the next four months to consider the new charter and to officially endorse it, to familiarize their members with its merits and benefits, and to urge them to cast their ballots approving it."

While the research committee which made the report concludes that no basic changes have been made in the city's governmental setup, it feels that the new charter contains a number of changes which it believes of vital importance.

Adoption of the charter will be the league's No. 1 job until election day. "Wrapped up in this document," says the *Seattle Municipal News* editorially, "are about a half dozen improvements in our city's governmental machinery for which the league and other groups

have been clamoring for years. Here is an unparalleled opportunity to enact them all into city law by one action."

A special committee to integrate league action has been appointed by President Lawrence Bates. The organization's Town Criers Committee is getting its speaking campaign under way and asking for volunteers.

Corpus Christi Citizens Protest Manager Appointment

Indignant that the first city council under a new council-manager plan charter appointed a manager without previous managerial experience, despite pre-election pledges to the contrary, citizens of Corpus Christi have organized a **Better Government League**. Immediately after appointment of the new manager the Citizens Council, composed of some 75 prominent business and professional men, organized a mass meeting in protest of the City Council's action. Three meetings were held and at the last the Citizens Council recommended to the 500 citizens present that the new City Council be recalled and that a recommended slate of five outstanding civic-minded business men, who had offered themselves as candidates, be submitted to the electorate.

Since the City Council refused to resign, the Better Government League—organized to carry out the plans laid down by the mass meetings—went into action. Petitions were prepared asking for the recall of the mayor and all councilmen and sufficient signatures have been secured to force an election.

R. R. Henry of Corpus Christi, who reports on the matter, comments that there are two hopeful signs in the recall movement: (1) the Better Government League is organized for continuous and permanent functioning; (2) the candidates on the proposed ticket backed by the league are such as could be secured only at such a time as this.

¹For provisions of the proposed charter see "Freeholders Commission Submits Seattle Charter," the *REVIEW*, December 1945, p. 569.

Why Don't People Get Excited?

This pertinent question on why people don't vote is the subject of a discussion presented by the **Cleveland Citizens League** in *Greater Cleveland*. "The Optimistic View" is given by Ralph Kelly in a story reprinted from the *Cleveland Plain Dealer*. "Another Slant" comes from the editor of *Greater Cleveland*, John E. Bebout, secretary of the Cleveland league.

Mr. Kelly comments that "there is hardly a city in the country which has had a municipal campaign which created the heat and clamor of the days before the war." He feels that perhaps municipal politics are changing, that municipal government has improved "so astoundingly in the last decade" that corrupt big city administrations are now the exception rather than the rule. He suggests that if municipal campaigns can be kept quiet for a time it may be possible to present the real issues to the public "rather than the concoction of personality clashes, irrelevant nonsense and plain mullarkey which are usually held out in municipalities to represent 'the issues.' The issue is plainly not between groups of people in any given city," he suggests, "but between a city and other units of government, principally the state, which maintain for their own benefit the archaic belief that this is not an urban country, and that cities are a temporary excrescence which must occasionally be given emergency-clinic treatment."

Mr. Bebout agrees with Mr. Kelly that indifference to elections is partly due to widespread improvement in the morals of city politics, but points out that "the great danger in non-voting in such contests is the habit of inattention or indifference to local public affairs which it engenders." He agrees with Mr. Kelly that home rule for

municipalities plays an important part in the picture, that one of the issues—which cannot be answered by candidates—is "where is the money coming from?"

"With few exceptions, no satisfactory answer to this question can be found by the exercise of home rule powers within the municipality. In most states, the big problem is to persuade a rural-minded legislature that city government is worthy of the necessary financing. This, plus the system of federal grants, makes the first need of many cities not a good chief administrator, but a good ambassador, lobbyist or supersalesman in the state and national capitols."

"There is, of course," Mr. Bebout cites, "always one theoretically valid issue in any city election, namely, 'Who is the best man?' Aside from the difficulty of making that issue exciting, however, all experience indicates that the best men simply are not attracted to contests that must depend largely on unreal issues. In our opinion, considering the handicaps imposed on leadership, initiative, and intelligence in public office, Cleveland and most other cities have better public officials than they deserve today. It is also our opinion that unless those or still better officials are given a better framework in which to operate, democracy will suffer a decay at the grass roots, which will ultimately destroy it as an organizing principle of government in the state, the nation and the world."

When Is a War Not a War?

"Do you remember the last time you heard an air raid siren?" asks the **Philadelphia Committee of Seventy**, Harry K. Butcher, secretary, in its *Civic Affairs*. Despite the fact that the U. S. government long ago announced that all danger from air attacks was over, that the governor of Pennsyl-

vania has disbanded the O. C. D., and that Philadelphia's mayor ordered the dismantling and sale of air raid sirens, the committee finds that, as of October 15, there were twenty employees still on the public payroll under the Philadelphia Council of Defense and that thirteen employees listed under "Requirements Arising out of the National Emergency"—guards to protect water works, bridges, etc.—are still collecting salaries. In fact, says the committee, prior to VE Day eleven persons were on this payroll, between VE and VJ Days the number increased to twelve, but after VJ Day the thirteenth appeared! As of November 21, the payroll was increased from thirteen to sixteen! "The war is over," says the committee. "There is no longer any danger from attacks by air or by enemy agents. The mere presence of these men on the payroll shows how costly may be the failure to elect to public office those who can be trusted to do an honest and conscientious job without being constantly watched and prodded from the outside."

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Wanted: Citizen Action

"What can mere citizens do for the next city administration?" inquires William H. Allen, director of the **Institute for Public Service of New York City** in his November-December bulletin. In answer Dr. Allen suggests in part: "We can help it do its own best for the whole city; we can be constant reminders of pre-election promises; we can reiterate that education of NYC adults about their city government is a major need; we can agree that if NYC doesn't make democracy work, it is unreasonable to expect it to work in Axis lands, China, India, etc., or USA; we can admit that if any one of us doesn't do his share that share just won't be done; we can start now supporting alert, nonpartisan, construc-

tive fact-finding and truth-telling about our city government's needs and deeds."

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Public Opinion Poll

At a recent luncheon of the **Chicago City Club** Dr. Warren P. Cortelyou conducted a "People's Opinion Poll" on a series of live public questions submitted by City Club committees and individual members. Dr. Cortelyou, chairman of the Department of Chemistry at Roosevelt College, has invented an electrical voting machine which enables each individual in a gathering to vote secretly and simultaneously on any proposition and to read the total result immediately on a meter. Questions submitted covered a variety of public problems—labor, highways, civil service, public health, voting machines, Missouri Valley Authority, etc.

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Annual Report

The **Civic Federation of Chicago** has issued a report on its activities for the year ending September 1945. The report lists titles of 29 publications issued during the year and gives an outline summary of 1944-1945 activities. Douglas Sutherland is executive secretary of the federation; Harland C. Stockwell, assistant executive secretary.

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Bridgeport's Merit System

"Bridgeport (Connecticut) is to be congratulated on being one of our leading cities to install the merit system," says Charles G. Morris, president of the **Connecticut Merit System Association** on the tenth anniversary of that city's use of the system.

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"The Laggard Citizen"

"If the majority will not vote, the majority cannot rule," concludes the **New Orleans Bureau of Governmental Research** in an article entitled "The Laggard Citizen," published in *City*

Problems. Illustrating its comments is a cartoon showing "the minority who do vote" putting "the majority who do not vote" through its paces. "Golly!" says the "majority," "I'm making a trained seal of myself!" The bureau points out that New Orleans' record of public voting has been miserably poor, that not more than 60 of each 100 white adults ever go to the polls, even in highly contested elections.

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Know Your State

Coupled with a radio broadcast on the subject the **Connecticut League of Women Voters** is publishing each month in *The Connecticut Voter* one of a series of articles on "Know Your State." The series began in September and will run for nine issues. Covered are the governor and general assembly, social welfare, community planning and housing, industrial relations, fair employment practices, election laws and merit system, minor and juvenile courts, taxation and education.

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Better Health for Georgia

The **Georgia League of Women Voters**, concerned with the health of the state, has reprinted a series of articles from the *Atlanta Constitution* discussing the present state of affairs and what should be done about it. "It has been repeatedly pointed out in these articles," says the last of the series, "Modern Science Can Relieve Most Common Ailments," "that the problem of Georgia's poor health is essentially a local and a citizen problem. . . . Better health for Georgians will be attained when enough citizens realize its importance actively enough to express themselves to the proper people."

* * *

Help for the Teen Age

"Let's Have a Discussion!" is "a practical handbook on techniques of discussion for student use in clubs,

classes and assemblies." It is a four-page leaflet issued by the **Junior Town Meeting League of Columbus, Ohio**, and may be purchased at one dollar per hundred. Pointers are given for small discussion groups, for large groups, for the chairman and for the speakers.

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Learning by Listening

Carl H. Chatters, executive director of the Municipal Finance Officers Association of the United States and Canada, recently addressed the **Municipal Forum of New York** on "Trends in Municipal Finance in the Postwar Period." George H. Hallett, Jr., secretary of the New York Citizens Union, spoke before the **Snag Club** on "The Election Results and Their Effects on New York's Future." The **Town Hall Workshops** and the **New York League of Women Voters** cooperated in a workshop course on Citizenship in Action. Miss Pearl Bernstein, formerly secretary to the New York City Board of Estimate and Apportionment, was course leader.

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Debt in New Mexico

"Bonded Indebtedness of the State of New Mexico and Its Governmental Units" is the lead article in the November issue of *New Mexico Tax Bulletin*, issued by the **Taxpayers' Association of New Mexico**. Rupert F. Asplund is secretary of the organization.

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Annual Meeting

The **Cleveland Citizens League** held its 48th annual meeting on December 10. Dr. Thomas H. Reed, municipal government counsellor for the Connecticut Public Expenditure Council, who is making studies of the financial problems of governments in Greater Cleveland for the Consultant Service of the National Municipal League, addressed the luncheon on "Cleveland at the Crossroads."

County and Township

Edited by Elwyn A. Mauck

Virginia Reports on Manager Counties

Study of Ten-year Use of the Plan Demonstrates Success

PROFESSOR George W. Spicer of the University of Virginia has written a very readable account of the experiences of the three Virginia counties that adopted the manager plan a decade ago. In *Ten Years of County Manager Government in Virginia*¹ Professor Spicer analyzes successively the records of Albemarle, Henrico and Arlington Counties. Since the remaining manager county in the state, Warwick, has been operating under the plan only since January 1, 1945, it is not included in the study.

The publication of this bulletin is an outgrowth of a series of community study and development "workshops" conducted by the Extension Division of the University of Virginia. These informal courses were conducted throughout the state for a period of several years, and they sought to bring together county officials, professional workers and other interested citizens. They raised such questions as: why people live in communities, why no two communities are just alike, what services people expect, and what constitute the most efficient means of performing such services. These problems led to a consideration of local government, and when it was revealed that evidence regarding experience under the county manager plan had not been collected, the Extension Division was requested to have such a study made.

Since the report is intended primarily for the guidance of the other Virginia counties, the optional forms act of 1932, under which such counties could elect to modernize their governments, is discussed in an introductory chapter. The results achieved by Albemarle and Henrico Counties through adoption of the options offered are described in considerable detail. Arlington County is considered only briefly because its government was established by a special law rather than under the optional forms act.

Professor Spicer concludes that the manager plan has proved, on the whole, to be highly successful in the three counties. He emphasizes that Arlington was the first county in the United States which by popular vote attempted to operate under a manager plan, and hence certain variations from a model plan had to be accepted. For example, the treasurer and commissioner of revenue remained elective officers. Despite these shortcomings, marked improvements are noted.

In the other two counties, Professor Spicer observed improvement in practically every aspect of their governments. Large savings were effected in financial administration simultaneously with the installation of improved practices. For purpose of contrast, Professor Spicer notes that in the state as a whole the costs of county financial administration increased during the period under consideration. Modern budget methods, central purchasing, uniform accounting, scientific assessment methods and other changes in the financial system were responsible for the better record of the manager counties. In regard to the direct services performed for the community, Professor Spicer notes great improvements in the educational systems, public health, public works, public welfare, law enforcement and other activities.

¹University of Virginia Extension Bulletin, Vol. XXIII, No. 3, Sept. 1, 1945, 94 pp.

Of special significance is the revelation in the report that the state is willing to decentralize those activities in which the counties are able to provide efficient administration. Thus greater local discretion in public health matters is permitted in the manager counties than in those counties retaining traditional governmental systems.

Similar decentralization is observed in public welfare administration in the manager counties. Much state centralization thus is occurring, not because the state is intrinsically the logical unit, but because counties have not seen fit to adapt their administrative machinery to meet present-day needs.

Professor Spicer closes his report with this timely warning: "If the citizens do not play their part, the price of such neglect will be the loss of local self-government to the counties and state assumption of local functions. Theirs is the choice, and in that choice lies the future of local self-government in the counties of Virginia."

California Counties Adopt Mutual Aid Law Enforcement

Under a new law enforcement plan adopted by the state of California 38 counties, as well as 162 cities, have voted to participate in improvement of law enforcement through mutual aid. Under the plan, the cooperating communities will be able to give assistance to one another in all emergencies involving their law enforcement agencies without the usual hindrances arising from jurisdictional boundaries.

Georgia County Manager Proposal Strikes Fire

At a joint meeting of the Fulton County, Georgia, commissioners and the county's delegation to the state legislature, called to discuss the proposed county manager plan, bitter

words and recriminations were plentiful, but no progress was made toward better government for the region embracing the metropolitan area of Atlanta. Proponents speaking for the plan included the chairman of the board of commissioners and representatives of the Atlanta Chamber of Commerce and the Atlanta League of Women Voters. Opponents included representatives of several labor organizations and several county officeholders. The opponents used freely such terms as "vicious," "one-man czar" and "revolutionary change." The meeting eventually adjourned after having adopted only a resolution to "meet again soon."

The *Atlanta Constitution* is lending strong editorial support to the movement for a county manager charter. In its issue of December 7 it comments: "It is now, *The Constitution* assumes, obvious to all residents of Fulton County that our system of county government needs revision along the lines of economy and efficient, business-like government directed by an able, trained man who can give his whole time to the job of managing what is one of the largest corporations in the state—and the one with the most stockholders.

"Fulton County needs a county manager who would carry out the policies of government in a business-like manner, avoiding waste, duplication and dubious services. . . .

"Let's ask our legislature for enabling legislation in January so we may get started that same month by finding and appointing such a man."

Loudoun County, Virginia, Studies Manager Plan

The Better Government Club of Loudoun County, Virginia, is engaged in an educational program to inform the voters regarding local government.

tal problems. It is specifically interested in demonstrating the advantages of a proposed county manager plan. The club had submitted a petition bearing 600 signatures requesting a referendum on the plan, but the petition was later withdrawn because it was decided that the time was not propitious.

Hospitals in Rochester Area to Cooperate

Through sponsorship of the Commonwealth Fund, 23 hospitals in seven counties comprising the Rochester, New York, trading area will join in a cooperative effort to improve the medical and hospital service throughout the region. Counties in the experiment include Livingston, Monroe, Ontario, Orleans, Steuben, Wayne and Yates. The voluntary, cooperative activities of the hospitals will include joint purchasing, educational or teaching service by the urban hospitals extended to those in rural areas, exchange of interns and resident physicians, development of a consulting service in clinical and laboratory medicine and in hospital administration, and establishment of accepted standards of administration and operation in all the cooperating hospitals.

Florida County Buys Airport, Sells Lots, Loses Zoning Case

The Dade County, Florida, Commission, acting in its capacity as head of the county port authority, recently authorized the purchase of an airport from Pan American Airways for approximately \$2,400,000. After two years of negotiation, the agreement becomes effective January 1, 1946. The port authority plans to acquire an army airfield nearby as soon as it is declared surplus by the federal government.

Dade County has begun to sell at public auction the several thousand lots recently foreclosed for delinquent taxes. Results have been highly satisfactory, since the total sales have amounted to double the assessed value of the property sold.

A zoning act of the county which had for its purpose the segregation of the races was set aside by a Florida circuit court as contrary to the provisions of the federal constitution.

Texas County Centralizes Road Administration

During the past several years Potter County, Texas, gradually has centralized its roads, administration, according to *Better Roads*. Formerly the four precincts operated independently, but gradually they adopted pooling of men and machinery, county-wide purchasing and centralized budgets. Eventually all road and bridge construction activity was centralized under jurisdiction of the county engineer.

St. Louis County Studies Home Rule

Mind Your Business, a bulletin published by the Governmental Research Institute of St. Louis, has devoted a recent issue to the problems of St. Louis County and its need for governmental reform. St. Louis County, lying next to the city of St. Louis, contains 89 school districts, 56 municipalities, 34 sewer districts, and miscellaneous other jurisdictions, making a total of 188, each with the power to tax and issue bonds. The bulletin suggests that a home rule charter could provide the means of effecting improvements and economy in this area which is suffering from a surfeit of governments.

Taxation and Finance

Edited by Wade S. Smith

Fort Worth Voters Approve Postwar Plan *Comprehensive Program for Projects and Their Financing*

FORT WORTH, Texas, where S. H.

Bothwell is city manager, has formulated and secured voter approval for a postwar public improvement program which from a financial standpoint is one of the most impressive adopted by any large American city. An especially interesting feature of the program is that the city has planned in detail over the proposed ten-year construction period not only the projects to be undertaken but also the means of financing them.

The program calls for expenditures aggregating \$25,335,300, including \$5,904,000 for water and sanitary sewer system improvements and \$19,431,300 for general city improvements. Of the total, \$22,667,000 will come from the proceeds of bond issues and \$2,668,300 funds already accumulated and from current revenues. The bonds to be issued include \$1,876,000 voted in previous years and \$20,800,000 approved at an election held October 2, 1945.

The program is laid out to place the bulk of the construction in the forefront of the proposed ten-year period. The first year total will be \$2,570,050, of which \$1,547,000 will come from bond proceeds. The second year the total will increase to \$3,189,250, with \$2,269,000 from bond proceeds. In the third year, improvements will aggregate \$4,124,000, of which \$3,905,000 will come from bonds, while in the fourth year the total will be \$3,252,000, \$3,061,000 from bond proceeds. The next two years improvement totals will

hold at about \$3,000,000 annually, derived mostly from bond proceeds, and thereafter the annual total will drop to the vicinity of \$1,500,000, secured entirely from the sale of bonds.

Mississippi Court Upholds Local Road Reimbursement

A 1926 statute providing for reimbursement by the state to local units for the cost of highways built at local expense and later made a part of the state road system was upheld by the Mississippi State Supreme Court in a four-to-two decision handed down late in November. It is estimated that the decision may cost the state highway fund as much as eight million dollars if all local units entitled to reimbursement claim it.

The case was instituted by Hinds County, which brought action to force the State Highway Department to appraise parts of the present state highway which were built by the county at a cost of nearly half a million dollars prior to extension of the state system. The statute, first enacted in 1926, provides for the appraisal by the Highway Department of any paved highway or section built at local expense which later would have been constructed by the state as part of the state highway system. Under the law, the state is obligated to pay to the local unit the original cost, less wear and depreciation, or if bonds were issued it must pay semi-annually amounts sufficient to meet the principal and interest due.

Reimbursement by the state for locally financed highways later incorporated in state highway systems is not new, but a variety of means of financing such reimbursement are available. In Mississippi's neighbor, Arkansas, the state assumed a considerable volume of road district indebtedness by refunding it with state

bonds. Texas in 1931 earmarked one cent of the gasoline tax for distribution to counties and road districts for payment of service on that portion of road and bridge debt incurred for facilities later made part of the state system. What method will be used in Mississippi is not yet evident, but it is noted that the highway fund is supported solely from highway revenues and has not in the past received appropriations from general state funds.

New York Officials Confer on Problems

A two-day conference on "Local Government Services in the Next Decade" was held in Albany, November 19-20, 1945, under the sponsorship of the New York State Department of Audit and Control, the division of the office of the state comptroller charged with supervision of local fiscal affairs.

Among the subjects considered by a large list of speakers and panel participants were general services, education, social services, public health, public works, population trends and fiscal problems. Speakers included Governor Thomas E. Dewey, State Comptroller Frank C. Moore, Philip H. Cornick of the Institute of Public Administration, Carl H. Chatters, executive director of the Municipal Finance Officers Association, Frederick L. Bird, director of municipal research of Dun and Bradstreet, Inc., Paul Studenski, New York University, Mabel L. Walker, executive director of the Tax Institute, Harley L. Lutz, chief economist of the Tax Foundation, Inc., and officials of New York municipalities.¹

Participants in the panels which guided discussion after each lecture

included representatives of business, industry and real estate groups, the press, colleges, financial institutions and taxpayers' associations.

California Reserves Funds for General Debt

California's "general" bonded debt has been provided for by the last two legislatures, and the state now has set aside sufficient funds to meet requirements to final maturity. The 1943 legislature appropriated \$16,945,499 to meet requirements from 1945 through 1949, while the 1945 legislature provided an additional \$11,651,490 to meet general bond charges to the final payment in 1965. The funds came from the state's war-swollen current revenues, which were also used for tax reduction.

The state still has outstanding upwards of fifty million of bonds not in the general category, serviced from special earmarked income. These include highway bonds, veterans' farm and home building bonds, San Francisco harbor improvement bonds, and unemployment relief bonds.

Borrowing Costs Decline Again

Municipal borrowing costs, which rose following V-J Day but dropped during October, went still lower in November. *The Daily Bond Buyer's* index of municipal bond yields for twenty representative issues was down to 1.51 per cent December 1, as compared with 1.46 per cent August 1 and 1.64 per cent on September 1, 1.72 per cent on October 1, and 1.56 per cent on November 1. The December 1, 1945, index was lower than any shown prior to March 1, 1945, but exceeded the lower level prevailing in the spring and summer which included the all-time low of 1.35 per cent on May 1.

¹For addresses of four of the speakers at this conference, see pages 4 to 22, this issue.

Saratoga Authority Case Ruling Argued

On December 4, 1945, the United States Supreme Court heard argument on the appeal of the Saratoga Spring Water Authority of the State of New York from the decision of the lower courts holding the authority liable for the federal excise tax on its sales of bottled water. A number of states filed briefs as *amicus curia* in support of the defense offered by New York that the authority as a state instrumentality was clothed with intergovernmental immunity.

While it is expected in some quarters that the court will sustain the tax on the basis of previous rulings (especially the South Carolina liquor monopoly case), there are some observers who believe it likely that the ruling of the lower courts might be upheld on a more sweeping basis, opening the way to federal taxation of all varieties of state and local proprietary enterprises, including toll bridges, municipal water, light and transit systems, etc.

Seattle Pension Fund in Distress

Seattle, Washington, has for some years had a deficit in its firemen's pension fund which has given concern to officials and citizens alike, but within recent months the situation has become acute and warrants to pensioners are now on an interest basis and accepted by the banks through special dispensation, according to the Seattle Municipal League.

For the first nine months of 1945 the fund had revenues of only about \$288,000, but its expenditures were \$408,000, or 141 per cent of its budget. The deficit increased from \$93,938 on September 30, 1944, to \$200,977 on September 30, 1945.

In contrast to the unsatisfactory condition of the firemen's pension fund,

the police pension fund has a small surplus, which it increased during 1945 to \$7,714 on September 30, 1945.

Baltimore Council Fails to Use New Taxing Powers

Although a special session of the Maryland General Assembly delegated to the city of Baltimore blanket power to levy new taxes in 1946 and 1947, the city made no use of that power to levy new taxes to balance its 1946 budget, which was the purpose for which the power was originally sought.

The balancing of the 1946 budget was accomplished instead by making more liberal estimates of revenue from present sources, by adding ten cents to the real estate and personal property tax rate, and by cutting the budget by \$1,774,000. Cuts were principally in public works, public welfare and parks appropriations. In cutting appropriations for highways reconstruction and other maintenance items, the Council took the position that the program as proposed was probably broader than would be possible of accomplishment in view of the material and manpower situation.

The City Council did use its new temporary taxing power to revise transit company taxes by placing a 15 per cent tax on gross revenues of bus operations and raising from 3 to 9 per cent the existing tax on gross revenues of street car and trackless-trolley operations. These increased transit taxes were levied to cover paving etc. costs to the city and loss in present revenue due to a proposed 50 per cent conversion from street cars to busses. The company has announced withdrawal of its conversion plan, however, because it considers the new taxes excessive.

D. BENTON BISER, *Director*
Baltimore Commission on Govern-
mental Efficiency and Economy

Local Affairs Abroad

Edited by Edward W. Weidner

British Labor Party and Local Politics

Recent Municipal Elections Bring National-Local Unity

THE final results in Britain's recent municipal elections will have far-reaching effects on local-national government relations. The swing to Labor evidenced in the general election of last July has been more than confirmed on a local basis. London, with a County Council already ruled by Labor, has given Labor majorities to 22 out of 28 borough councils. Over 60 provincial towns, including some of the most important centers, have been captured, while in Manchester and Birmingham Labor and anti-Labor parties are now almost evenly balanced. In a large number of other towns Labor has maintained its hold.¹

The election's effect on national-local relations is at least twofold. Local politics are becoming more integrated with national politics. Although perhaps there is a similar trend on a smaller scale in the United States, nevertheless Britain is moving closer to the relationship that obtains between national and local politics in France as contrasted with that in the United States.

The early Labor movement served its political apprenticeship in the field of local government, and many of the Labor M.P.'s and Labor ministers have reached the House of Commons by way of local politics. Until the advent of the Labor party, political divisions

in local authorities were on a very loose basis, many of the candidates standing as independents rather than as supporters of one of the national parties. Labor, however, has always regarded the capture of power in localities as part of its program. The elections just held show that this policy has now succeeded over a considerable part of the country.

One result of the Labor party's entry into the field of British local government has been to bring active trade unionists into municipal administration. Local Labor parties are replicas of the national party and include trade union and cooperative branches as well as individual members. Candidates for the local council are selected from nominations put forward by all sections of the party.

A second effect of the recent elections on national-local relations is to be found in the fact that much of the program of the Labor party is to be administered by localities. Three key aspects of this program are health services, housing and municipal ownership. Borough councils in large measure are responsible for the administration of all of these. Where the Labor party is in control of local councils, the central government can count on 100 per cent backing for all its plans, while even in other councils there is now almost certain to be a Labor minority ready to bring pressure on the dominant party.

For the first time everyone eligible to vote in parliamentary elections could cast a vote in the local elections. Previously there had been a taxpaying qualification for the latter.

Cities Help in French Reconstruction

Under general central supervision, the municipalities of France are reconstructing the physical plant of the

¹See British Information Services Release of November 8, 1945, "Results of Britain's Local Elections," by Gordon Schaffer.

nation and the localities destroyed during the war. Each municipality is being given much leeway in developing its own plans for housing, roads, gardens and public buildings.

Although destruction was tremendous, reconstruction is proceeding at a rapid rate. Much of the progress made has been due to local officials who, although cut off from communication with the central government for some time in the early days of reconstruction, took the initiative to restore and maintain essential services. An example of this is the local bridge services in the various municipalities. During the first nine months of 1945 330 bridges were repaired, 3,200 temporary bridges erected, and 475 others put in an advanced state of preparation. In addition, many ferry boats have been operated in lieu of bridges not yet replaced. Total reconstruction of bridges and roads is likely to take six years, it is estimated.¹

Local Governments Active in Britain's Housing Policy

Local authorities will have an important place in Britain's new housing policy, according to a speech by Aneurin Bevan, Minister of Health, in the House of Commons late in October. Local governments will be given power to requisition available living space in houses not fully utilized by their present occupants to ease the housing crisis in the short-run. Voluntary effort will be relied upon for the most part, but powers of compulsion will be held in reserve to be used where and when necessary.

The long-range housing program will emphasize the building of houses for the lower income group. In this respect local authorities will be the main instrument for carrying out the pro-

gram. Land acquisition powers will be speeded by a bill to give local governments power to serve notice on owners of land for a period of fourteen days, and at the end of that time to enter on the land and use it while negotiations about its price are in progress.

Local authorities will be allowed to license private building of homes which cost no more than 1,200 or 1,300 pounds, but these licenses are to be granted only for the purpose of supplementing the main housing program and not for diverting building labor and materials that would otherwise flow to the public housing program. Mr. Bevan has warned the localities that if they exercise their licensing powers too generously, and fall behind in their own housing programs, he will suspend the power to issue licenses. Houses built under such a licensing scheme will be under price controls to prevent their being sold or resold speculatively.

Nationally, complete powers over housing are now centered in the Ministry of Health.²

Election in France

Only 60 per cent of the electorate voted in the cantonal elections held in September and October. In traditional French fashion the elections were dominated by national political parties, the Radical Socialist, Socialist and Communist parties winning most seats on the *departement* or general councils.

* * *

Australian Local Governments

A series of five articles in the March 1945 issue of *Public Administration* (Australia) gives an excellent summary of the position of local government in Victoria, South Australia, Tasmania, Western Australia and Queensland. A

¹See *Municipal Journal*, October 5, 1945, p. 1997.

²See *Municipal Journal*, October 26, 1945, p. 2123.

complete and authoritative review of local government in New South Wales is to be found in a reprint of a speech delivered by F. A. Bland, professor of public administration at Sydney University, at the school's Local Government Summer School last April, entitled "A Review of the Development of Local Government in New South Wales."

* * *

Community Centers

There is widespread interest in community centers in many parts of the world at the present time. Special attention to the centers as a postwar project has been shown in several municipalities in Britain and Australia.

* * *

Woman Suffrage

Belgium women will be given the power to vote for the first time in elections scheduled for 1947.

* * *

Indian Legislation

Provincial government legislation in India relative to local governments during 1944 was not extensive. Most of it dealt with such measures as extending the term of local councils because of the war, but in one or two cases the local franchise was extended or local powers increased. For example, in the Punjab the district boards were given full liberty to elect non-official chairmen, and in Sind the franchise for local board elections was widened.

* * *

Insurance

New Zealand municipalities have established their own insurance systems to eliminate excessive insurance costs.

* * *

Local Income Tax

Some mention is being made in England of the possibility of localities increasing their revenue by a local income tax, but it is generally viewed

with disfavor by local tax officers as well as by the national government.

* * *

Retirement

A requirement that local government employees pass a medical examination before being admitted into the retirement system of some English local governments has been attacked by *Local Government Service*.

* * *

Planning

In New Zealand, nineteen regional planning councils have been set up and are now drawing plans for regional coordination of several aspects of local government activities.

* * *

Housing

Sweeping housing legislation has been approved in New Zealand, giving the municipalities power to replan and improve decadent and overcrowded areas and to require individual owners to bring their houses up to a minimum standard.

* * *

Full Employment

In considering the problem of how to achieve full employment, Great Britain is studying the position of local government in the national economy. By central control of local borrowing, planning and public works it is hoped that county and municipal government can contribute more directly to full employment.

* * *

Canadian Police Agreement

The Canadian Association of Policemen has secured an agreement with the Moose Jaw, Saskatchewan, Board of Police Commissioners providing for maintenance of membership, the check-off, sick leave benefits, hours of work and overtime, holidays, settlement of grievances and conciliation procedure. The Provincial Labor Relations Board helped settle differences between the two groups.

Proportional Representation

Edited by George H. Hallett, Jr.

(This department is successor to the
Proportional Representation Review)

P. R. in New York Prevents Landslide

*Representative Councils
in Toledo and Cincinnati*

THIS year's election of the New York City Council," said a public statement by the New York Citizens Union, "should be hailed as a significant demonstration of the value of P. R. in securing the full and equal representation of all voting citizens on which democratic institutions are supposed to rest. If it had not been for P. R. the City Council for the next four years¹ would have been almost or entirely Democratic, with little or no representation for anyone else."

With the Fusion forces of former years badly divided, the Democratic candidate for mayor, William O'Dwyer, swept in with a tremendous plurality and carried with him every candidate on the Democratic line of the voting machines except for the borough presidency of Richmond (Staten Island). For that office the Democrats made the mistake of nominating a former incumbent with an unsavory record that figured in the Seabury investigation; but otherwise, good, bad and indifferent candidates were swept in by the Democratic tide without discrimination, whether they were running for the whole city, for a borough or for a smaller municipal court district. Whereas the outgoing Board of Estimate (consisting of the mayor, comptroller, council president and the borough presidents, with weighted votes) had twelve Republican-Fusion votes and

four Democratic, the new board will have fifteen Democratic votes and one Republican.

If it had not been for P. R. there is every reason to believe that the Democratic landslide would have engulfed the City Council also. Actually the new Council will consist of fourteen Democrats and nine others.

A special feature of New York's P. R. provisions is that the election quota stays constant at 75,000 and the number elected varies with the size of the vote, each borough electing at large one member for each full quota and an additional member for any remainder as large as 50,000. This provides an automatic reapportionment to the boroughs at each election. Because there was naturally a larger vote in a mayoralty year than in the "off-year" election two years ago, the total membership of the Council was increased by this year's election from 17 to 23.

With this increase in the Council's size every political group elected as many councilmen as it had the time before in every borough. In fact, all but one of the outgoing councilmen were re-elected, in striking contrast to the wholesale casualties in the other elections, which included the defeats of such outstanding public servants as Comptroller Joseph D. McGoldrick and Borough President Edgar J. Nathan, Jr., of Manhattan.

The moderate changes in the Council, reflecting but not exaggerating the shifts in public opinion, are shown in the first table on page 45.

As in every one of the four previous P. R. elections, minority representation was secured in every borough except Richmond, which is too small in population to deserve more than one member.

The results reflected the votes with remarkable accuracy. On the count of first choices the official Democratic

¹The term of the Council has just been increased from two years to four.

COUNCILMEN ELECTED

Party	Brooklyn		Manhattan		The Bronx		Queens		Richmond		City	
	1943	1945	1943	1945	1943	1945	1943	1945	1943	1945	1943	1945
Democratic	4	5	2	2	1	3	2	3	1	1	10	14
Republican	1	1	1	1	0	0	1	1	0	0	3	3
Am. Labor ^a	0	0	0	1	1	1	0	0	0	0	1	2
Liberal ^b	0	1	0	0	1	1	0	0	0	0	1	2
Communist	1	1	1	1	0	0	0	0	0	0	2	2
Total	6	8	4	5	3	5	3	4	1	1	17	23

^aThe 1943 figures are for the "left wing" of the party, now in complete control of its machinery. One of the successful A. L. P. candidates this year was endorsed by the Democrats.

^bThe 1943 figures are for the "right wing" of the American Labor party, which withdrew to form the new Liberal party.

candidates had less than half the votes, but at that point there were a good many independent Democrats in the field also. When it was found that the independents did not have enough support to have a chance of election and they were declared defeated, many of their votes naturally transferred to official Democrats. On the deciding count at the end of the election the Democrats had 59 per cent of the votes and elected 61 per cent of the Council. The figures for all the parties are shown below.

Minority Representation

The presence of a substantial minority on the Council will make the majority more careful of its course for several reasons. The minority is large

enough to serve as a reminder that it could easily become a majority next time if the Democrats made many serious missteps. The minority is large and able enough to supply telling criticism of any mistakes and focus public attention on them. Finally, any time the majority is tempted to take any step for partisan advantage at the expense of the rest of the people, any three of the best Democrats will be in a position to block it by joining, or threatening to join, the minority on that issue.

For a similar reason the majority cannot overlook the interests of the Bronx or Queens. Each of these boroughs will have three Democratic councilmen and, because the minority is

Party	First Choice Votes	Votes on Deciding Count ^a	Councilmen Elected
Democratic	753,505 (45%)	929,051 (59%)	14 (61%)
Republican	299,895 (18%)	239,826 (15%)	3 (13%)
American Labor	184,670 (11%)	165,427 (10%)	2 (9%)
Liberal	147,341 (9%)	103,253 (7%)	2 (9%)
Communist	122,625 (7%)	138,498 (9%)	2 (9%)
Others	185,007 (11%)	—	0
Totals	1,693,043	1,576,055	23

^aThe deciding count was the tabulation of results on the basis of which the runner-up was declared defeated and before his ballots were transferred. These ballots were actually transferred this year only in Brooklyn.

fully represented, these three are a necessary part of the Democratic majority. Manhattan and Richmond have less than three Democratic councilmen apiece, but either would only have to win the help of one or two other Democrats to be in the same position. If the Democrats had most or all of the members, as they would have without P. R., they could afford to disregard the votes of any one borough.

Able Members Elected

The level of ability in the Council continues to rise. It has always been distinctly higher than in the old Board of Aldermen. Among the candidates recommended for election this year by the nonpartisan Citizens Union were five of the successful Democrats (two of them new), all three Republicans, both Liberals, and one of the two American Laborites.

Two of the Council's outstanding members, Minority Leader Genevieve B. Earle and Former Borough President Stanley M. Isaacs, were elected this year and two years ago as Republicans, but only after they had proved in the 1941 election their ability to be elected under P. R. without the party's official support.

Particularly instructive this year was the P. R. election in the Bronx, which caught up with Manhattan in number of councilmen. Two years ago the supposedly impregnable Bronx Democratic organization led by Edward J. Flynn lost its majority of P. R. votes and elected only one councilman out of three. This year it came back with three out of five, but only by nominating and electing a new candidate of wide independent appeal, Former Deputy Attorney General Bertha Schwartz, who had been head of the Bronx American Women's Voluntary Services and numerous other civic enterprises.

The two Bronx minority members will be Michael J. Quill, A. L. P., presi-

dent of the C. I. O. Transport Workers' Union of America, who was re-elected at the head of the poll, and Ira J. Palestin, Liberal, a lawyer who replaces Councilwoman Gertrude Weil Klein. Mrs. Klein had been a diligent and useful member of the Council, but being a right-wing member of the Amalgamated Clothing Workers, which went with the left wing when the American Labor party split, she was not endorsed this year either by the A. L. P. or by the Liberals. She made a good run, nevertheless, as an independent candidate of the Citizens' Non-Partisan Committee, and when she went out assured the election of Mr. Palestin, also endorsed by the C. N. C., by the logical transfer of over 10,000 of her votes. Mr. Palestin started eighth and ended fifth.

A Free Choice for the Voters

The freedom with which a voter could give his first choice to Mrs. Klein, for example, knowing that he had a second choice to fall back on if she failed to get enough support, contrasted vividly with the dilemma many faced in the mayoralty election. A good part of those who favored Mayor LaGuardia's "No Deal" candidate for mayor, Council President Newbold Morris, would have ranked Mr. Morris first, Judge Jonah J. Goldstein, Republican-Liberal-City Fusion candidate, second, and General William O'Dwyer, the Democratic candidate, third. But they had no preferential ballot for mayor and had to choose whether they would vote for their second choice as a practical matter, because he appeared to have a better chance of defeating O'Dwyer, or for their first choice even though to do so might merely divide the opposition to O'Dwyer and insure his election. Under P. R. any voter can safely vote his real wishes and there is no chance that he will get what he wants least by so doing.

A Large Effective Vote

The percentage of the marked ballots declared invalid was still disappointingly high, but it was slightly reduced in every borough except Richmond: in Brooklyn from 13.1 per cent to 12.2, in Manhattan from 13.4 per cent to 13.2, in the Bronx from 11.4 per cent to 10.3, in Queens from 10.5 per cent to 8.8 and in the whole city from 12 per cent to 11.3. The Richmond total, with only one to be chosen, rose from 2.6 per cent to 5.4.

In spite of the high invalid vote, interest in the Council race was such that in the Bronx and Richmond more valid votes were cast for councilmen than for borough president and in other boroughs the valid council vote was not far behind.

Of the 1,693,043 who did cast valid votes for Council 1,365,971, or 81 per cent, helped elect someone for whom they had voted and an unknown but considerable number of others saw some of their choices elected without needing their help.

Criticism and Support

In spite of the obvious advantages of P. R. in this year's election several of the newspapers came out editorially against it, as happened two years ago. The opposition was based chiefly on the re-election of the two Communists, but partly also on misunderstandings and partly on mere impatience with the slowness of the count. As for the Communists, no one contends that 9 per cent of the city's voters are Communists, but the fact remains that they had the astuteness to name two candidates who personally drew 9 per cent of the city's votes, enough on any fair basis to entitle them to election. Communist Councilman Benjamin J. Davis, Jr., a graduate of Amherst and Harvard Law School, was the leading Negro candidate and drew

much of his support as a representative of the special needs of Harlem.

The *Herald-Tribune* printed a strong supporting editorial on December 10, which read in part as follows:

"As in the past, the system worked last month almost exactly as it was intended to do. In a year in which the Democrats swept every office in the city but one of those filled by the standard voting method (and would certainly have swept the Council also under the old system), they got only fourteen out of twenty-three council seats, or no more than a reasonable majority accurately reflecting their real voting strength. . . .

"The rewards of securing a fair minority representation in the Council have been very great. 'P. R.' has forced a much higher caliber of candidate on both minority and majority party machines. Minority representation in the Council has provided a valuable check on the municipal administration. . . .

"The case for P. R. as a piece of machinery which has actually worked, within its present setting, to improve materially our municipal government is a very strong one. The case against it, when not largely irrelevant, is so far unimpressive."

A Two-Party Division in Cincinnati

Cincinnati elected to its eleventh P.R. City Council November 6 five adherents of the old Republican organization which formerly ruled the city completely and four members of the City Charter Committee, the municipal good government party which 21 years ago successfully sponsored P.R. and city management. This repeats the municipal party division of the outgoing Council.

Although all nine members of the 1944-45 Council were candidates to suc-

ceed themselves, only seven survived the contest. Mrs. Elizabeth Cassatt Reid, former chairman of the Women's Division of the City Charter Committee and only woman ever elected in Cincinnati under P.R., despite a brilliant first-term record in Council and a spirited campaign finished tenth in the count and will be replaced January 1 by her Charter running-mate, Rollin H. Everett, veteran newspaperman and editor of the CIO weekly, *The Sun*. Charles E. Weber, Republican machine nominee who finished ninth two years ago, was this time a poor eleventh and will make way in the new Council for another Republican machine adherent, Gordon H. Scherer.

The remaining incumbents were re-elected: the Charter group includes Albert D. Cash, Charter floor leader, Edward N. Waldvogel and Russell Wilson; the Republican machine group, Mayor James G. Stewart, Willis D. Gradison, Jesse Locker and John M. Molloy.

The balloting reflected the postwar let-down in civilian interest in public affairs. The total vote of 124,327 was only 595 more than the total in the city's only war-time P.R. election of 1943. The number of invalid votes declined appreciably for the second consecutive time, to 5,535 or 4.45 per cent, the lowest both numerically and percentage-wise since the first P.R. election (1925).

Charter Group Gains, Losses

For the Charter group, the election results had both heartening and disheartening features. On the gloomy side were the defeats of Mrs. Reid, noted above, and of Charles P. Taft, who resigned his post as director of the Office of Transport and Communications Policy in the Department of State at Washington to return to Cincinnati and make the race for Council.

On the bright side was the decisive

continuation of the upswing in the Charter vote, which prior to 1943 had shown a steady decline from its original level in 1924. Low mark of the Charter strength now appears to have been reached in 1941, when the Charter proportion of total first-choice votes bottomed at 32 per cent. Two years ago the Charter percentage was 40.2; this year it was 44.2.

Another bright spot in the election from the Charter point of view was the continued cohesiveness of the Charter vote. Observers of past P.R. election counts in Cincinnati have never failed to be impressed by the superior showing of Charter candidates on second- and subsequent-choice transfers from candidates with a surplus and from eliminated candidates. In fact, maintenance of Charter candidates' second-choice superiority in combination with the upward trend of Charter first-choice votes is leading many to anticipate restoration of Charter control over the city's affairs in 1947.

Explanations for the defeat of Mrs. Reid and Mr. Taft were not difficult to arrive at.

Mrs. Reid, in particular, was the target of widespread and powerful opposition from associates and affiliates of the gas and electric company because of her sponsorship last December of a proposal to investigate the possibilities of municipal purchase of the gas and electric properties, with the result that endorsements given her two years ago were this time withheld.

Mr. Taft's defeat is being attributed in part to over-confidence among his friends and supporters. So universal was the assumption that nomination in Mr. Taft's case was tantamount to election that organization effort by Mr. Taft's associates was largely neglected until the closing days of the campaign.

Because of their relatively good

showing even in defeat both Mrs. Reid and Mr. Taft are already being urged by their friends to make the race again two years from now. It is being pointed out that with sufficient time to plan and execute a campaign there is every reason to believe that should they decide to run they would be successful.

To round out the statistics of the election, it should be noted that three so-called "independents" in the race polled a total of exactly one per cent of the valid first-choice vote (in other words Cincinnati now has a municipal two-party system under P.R.); 70.5 per cent of the voters voted first-choice for a winning candidate; and the election count was the shortest in Cincinnati's history, actual working time being approximately 52 hours, or two hours under the 1943 record.

FOREST FRANK, *Executive Director*
Cincinnati City Charter Committee

Toledo's 1945 P. R. Election¹

Toledo's 1945 P.R. election, the sixth under this system, resulted again in a remarkably accurate representation for the seven main areas of the city and also provided representation for the four most politically conscious groups that are not centered in one area, namely, the C.I.O., the A. F. of L., those of Polish descent, and the Negroes. Furthermore, the election of a Democrat from North Toledo instead of a Republican and the election of an independent Democrat from the downtown area instead of a Republican make the new Council of five nominal Republicans and four nominal Democrats a more accurate reflection of the real strength of the two national parties in this city.

¹The author of this article was one of the leaders in this year's successful defense of P. R. against a referendum attack reported in this department last month.

It is not realistic to refer to councilmanic candidates in this home town of Golden Rule Sam Jones as Republicans or Democrats, however, because Toledo voters have not voted on national party lines in city elections since the death of Jones over 40 years ago. For instance, the citizens of Polish descent, although more than 80 per cent Democratic in national and state elections, have elected and re-elected five times to the city council a representative who is a Republican in national politics.

The outstanding feature of this election was the successful candidacy of the one Negro candidate, who received not only the largest vote ever cast by members of his race in a Toledo municipal election, but also received from one to a half dozen non-Negro first-choice votes in many precincts from every section of the city. Without these non-Negro votes he could not have been elected, because it takes one more than 10 per cent of the vote cast to elect a councilman under this system and the Negroes constitute less than 7 per cent of the population of Toledo. Mr. Simmons, the successful Negro candidate, was not only the best campaigner and organizer among his own group but he also contacted and inspired the vote of more people outside his own group than any other Negro candidate has done heretofore.

The other outstanding incident of this election was the action of the Republican executive committee in deciding about a month before election that they would not give organization support to any councilmanic candidate who would not pledge himself to vote only for Republicans when it came to appointments at the disposal of council. Apparently, they had specifically in mind the appointment of the mayor and vice mayor, because in the five councils elected by P.R. the nominal

Republicans have had either six or seven votes out of the nine and yet they have selected either a mayor or a vice mayor who was a Democrat after every election except that of 1937.

The effect, if any, of this attempt to pledge Republican councilmanic candidates to vote only for Republican appointees was that Mayor Roulet and Councilman Lehman, who vigorously refused to pledge themselves, received more votes this year than in 1943. Two councilmen who presumably did take the pledge were defeated for re-election. (It is only fair to say that these two candidates were elected two years ago without a full quota.) Of the other three Republican councilmen, of whom two presumably pledged themselves and one did not, all three held their own and were re-elected. There are always many factors in any election, so that it is not easy to say that some one factor was decisive. But it is clear that the vigorous stand of Mayor Roulet and Councilman Lehman did not lose them any votes, and it is almost equally clear that the feeling on the part of the public that Bame and Millard did pledge themselves did not win them any votes.

To repeat, it is simply not realistic to speak of councilmen in Toledo as Republicans or Democrats, even though one or two councilmen may talk or vote on rare occasions as Democrats or as Republicans. The contrast between Toledo and Cincinnati in this respect is quite striking, in view of the fact that both cities elect their nine councilmen by P.R.

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HOUSECLEANING TIME FOR CITIES

(Continued from page 13)

palities to secure their desired share

of the national income. It stresses, however, the importance of better financial management as a postwar objective.

The expression financial management is used here in its broadest sense, as applied not only to the local processes of accounting and budgeting and borrowing and formulation of general fiscal policies but to the fiscal regulations and restrictions in state constitutions and statutes, to state-local tax systems and to provisions for state supervision of local fiscal affairs. All along the line it will be necessary to concentrate on better administrative techniques, more intelligent and workable laws and more competent, energetic and economy-minded officials to help offset the effect of the higher cost of living on the cost of local government. Fortunately, there is abundant room for improvement, as demonstrated in the field of state supervision, for example, by the tremendous improvements effected by the State Comptroller's office in the past few years in auditing, provision of counseling service and putting a stop to unnecessary bond refunding by local governments. But there no longer remains any margin for financial blundering, for retention of outmoded methods and procedures, and for toleration of traditional political arrangements and perquisites if we wish continuance of our system of local self-government.

EDITOR'S NOTE.—Address delivered before conference on Local Government Services, 1945-1955, at Albany, New York, under sponsorship of the New York State Department of Audit and Control.

Books in Review

Citizenship and the New Day. By Parley Paul Womer. New York City, Abington-Cokesbury Press, 1945. 319 pp. \$3.

Here is a penetrating study of the nature of citizenship in a democracy. The author starts with the assumption that the American republic and American democracy are dependent upon the competency of American citizens for their survival and strengthening. He further believes that the potentiality of normal citizens for participation in the activities of the community can be raised to civic competency through experience and education.

The study has two admirable characteristics. The author is careful to distinguish education and training of a "good citizen" from education for a "good life." The failure to do so has vitiated much writing in this field in the past. In addition, the study goes beyond much of our contemporary writing and isolates the elements and desired ends of the American citizenry. In Part II, entitled "The Idealistic Character of Citizenship," President Womer has come to grips with the central conflicts in the American scene. The titles of four of these chapters illuminate this point: Liberty and Responsibility, Equality of Rights, Fraternalism and Citizen Motivation, and Social Justice and Free Enterprise. The need for Americans to understand some of the fundamental dichotomies inherent in our present thinking is well illustrated.

What are the high lights of the study? The philosopher, sociologist, and political scientist will be attracted by the analysis in Part II mentioned above. The educator will certainly be drawn to the sharply focused discussion of education for citizenship. Chapter XIII, Values and Objectives, is especially well done. The author admits the schools have done well in

educating for economic efficiency, for the invigoration of thinking, and the enrichment of personality, but calls the education of youth as individual citizens or collectively as a citizenry "woefully hit or miss." He conceives of "citizenship as the bond that unites a free people in the democratic state." From this there are implied "definite relationships, freedoms, responsibilities, attitudes, and demands vitally related to the welfare and proper functioning of the democratic state." Only on these elements can an educational program for citizenship be developed.

One more quotation will serve to show the nature of Professor Womer's argument:

Obviously the function of citizenship in a democracy is so basically important that it must be discharged in some manner if the democratic state is to operate at all or, what is more, if it is to exist. But the adequate discharge of that function calls for a worthy understanding of the basic social and spiritual content of citizenship; for good will and control of selfish instincts; for reasoned as against prejudiced judgments and actions; for high standards of personal and social ethics; for a genuine and well proportioned sense of the enduring values represented in the great democratic postulates, liberty, equality, fraternity, justice, humanity; for a greater devotion to the "general welfare" than any other type of political association implies; for an intelligent grasp of the complex problems with which democratic society must deal; for a capacity to contribute to the thinking of a democratic community and thus to help to form the public opinion that is the motive power of democratic organization; and for a sufficient knowledge of the forms, functions, processes and procedures of demo-

cratic government to qualify the citizen to form intelligent judgments and to participate effectively in the work of government. (Pp. 259-260.)

To this reader this is a comprehensive statement of the problem. The rest of the study is a brilliant and satisfying exposition of the problem stated above. Every worker in the field is indebted to the author for this fine production.

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Additional Books and Pamphlets

Agriculture

Agriculture — Greater Kansas City. Kansas City, Missouri, City Plan Commission, 1945. 53 pp.

Airports

Airport Accounts. By Joseph M. Cunningham. Chicago 37, Municipal Finance Officers Association of the United States and Canada. 28 pp. \$1.25.

A List of References on Airport Zoning. By Caroline Shillaber. Cambridge, Massachusetts, Harvard University, Library of the Departments of Landscape Architecture and Regional Planning, 1945. 3 pp.

Authorities

A Selected List of References Relating to the Proposed Missouri Valley Authority. By Elizabeth M. Houston. Cambridge, Harvard University, Library of the Departments of Landscape Architecture and Regional Planning, 1945. 2 pp.

Valley Authorities. Shall We Establish Regional Developments? Washington 6, D. C., National League of Women Voters, 1945. 20 pp. Ten cents.

Employment

Management's Responsibility Toward Stabilized Employment. By Richard

R. Deupree. New York City, American Management Association, 1945. 15 pp.

Housing

Britain Faces Its Housing Emergency. Preliminary Report of National Committee on Housing Mission to Great Britain. New York 18, National Committee on Housing, Inc., 1945. 27 pp. 25 cents.

Labor

Government and Union-Employer Relations. An Analysis of Statutes and Administrative Regulations. By Leifur Magnusson. Chicago 37, Public Administration Service, 1945. 36 pp. \$1.

Labor Relations. By L. B. Schwellenback, etc. Council of State Governments, *State Government*, December 1945. 26 pp. 35 cents.

Local Government Officials

Ten Year Progress Report 1935-1945 — The Institute of Local Government. State College, Pennsylvania State College, 1945. 48 pp.

Purchasing

A Survey of Competitive Bidding Procedures. A Report for the Committee on Contracts. By Nelson Rosenbaum. Washington, D. C., National Institute of Municipal Law Officials, 1945. 19 pp.

Taxation and Finance

Finance Department Organization. Chicago, Municipal Finance Officers Association of the United States and Canada, *Municipal Finance*, November 1945. 28 pp. 50 cents.

Legal Problems Incident to Revenue Bond Financing. By David M. Wood. Washington 6, D. C., National Institute of Municipal Law Officers, 1945. 15 pp. \$2.

State Debt in 1945. Washington, D. C., Department of Commerce, Bureau of the Census, 1945. 16 pp.

Traffic

Highway Traffic Conference Proceedings. Saugatuck, Connecticut, Eno Foundation for Highway Traffic Control, Inc., 1945. 139 pp.